App. E. IX-4

*Previous References*
D.O. f 73-31 (1-4)
Ans 80-15 (1-3, 10)
Ltr 10-19
*Letter References.* [illegible]

1934-35 (D.O.F)

File No. 41-34
Serial Nos. ~~1-3, 8~~ 1-5, 8-9

Preserve

P. 5

# GENERAL AND REVENUE SECRETARIAT.

*Serial Nos.* Secret Secret

**Part B for** March 37

**SUBJECT.**

Importation of wood of non-myrtaceous origin into U.S.A.

WD 0418—GPB—22,500—23-8-36

file

General and Revenue Secretariat | File No. of 193 . [App. F. III–2

Tel "Gopar"

G. P. RAMARAU & COMPANY
EXPORTERS & IMPORTERS

No. 2 (FIRST FLOOR)
KRISHNA BUILDINGS, AVENUE ROAD

*Bangalore City* 6th February *1935*

*No.*

To

Dewan Bahadur
Rajamantra Pravina
K. Matthan., Esqr.,B.A.
First Member of Council,
Government of Mysore,
BANGALORE.

Dear Sir,

I beg to enclose for favour of your perusal a memo which would show that the demand for sandal wood in the U.S.A. is more than what is met by Messers. Bush & Company, and that that demand is satisfied by the importation of wood of non-Mysore origin into that country.

Yours respectfully,

Govindaraw

Manager.

1935

General and Revenue Secretariat | File No. of 193 . [App. F. III–2

Tel "GOPAR"

G. P. RAMARAU & COMPANY
EXPORTERS & IMPORTERS

No. 2 (FIRST FLOOR)
KRISHNA BUILDINGS, AVENUE ROAD

*Bangalore City* 18th Feb. 1[illegible]

*No.* 77

Dear Sir,

DEVELOPMENT BRANCH.

In continuation of our letter No.74 of the 6th instant stating that the world's requirements in sandalwood are not being adequately satisfied from Mysore's vast resources in wood, we beg to request that Government be pleased to order the sale to us of 200 tons of the billet classes, with an option up to 300 tons, before the close of the official year 1934-35. We shall take delivery of the first instalment of 100 tons almost immediately, and the balance in instalments of 50 to 100 tons at a time, completing the transaction before the end of June of this year.

The Madras and Coorg auctions are now over, and so it is necessary that we should not delay to get in touch with our consuming buyers, as otherwise we will be forestalled by those that have secured sandalwood at the recent auctions. We therefore beg that the Government may be pleased to communicate their decision on this application as early as practicable.

We remain, Dear Sir,

Yours respectfully,

Manager.

Dewan Bahadur
Raja Mantra Pravina,
K. Matthan, Esq., B.A.

First Member of Council,
Government of Mysore,
BANGALORE.

Re: Exports of Sandalwood to U.S.A

3

1 (part)

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.

From

The Director SoF

3167 dt 25.2.35

States in the circumstances explained, that he does not advise selling Sandalwood to outside parties.

(11) Submitted for perusal with reference to First Member's Minute dt 6.2.35 in para 1.

CPR 28/2 KGP

For perusal

Revsey 28/2

First Member

12. Memorandum the proceedings be sent to

6303/

by

1/3 MW

2/3

Revenue/163 of 1934-35

4.3.1935

13. Forwarded with Compliments to the Director of Industries & Commerce for favour of opinion

By order

D. MacRae Esq

for Secretary to Govt

Rev Dept

3371

16.3.35

14. I am sorry I have to differ from

NOTE—Contn. Sheet.

File No. of 193 | General and Revenue Secretariat

Mr. Raisman in his rem. that we should not sell Sandalwood to outside parties. He has not given any reasons for holding that opinion.

2 The figures given by the Govt. Director in his note as to the sales in America do not tally with those given in the administration Reports of the working of the Sandalwood oil factory (which includes the Kuppam factory) i.e. the Govt. Director's figures for 1933-34 (2) and 1932-33 are 5374 & 31073 lbs. whereas the Administration Report figures (1) are 53186 & 36356 lbs. (1) figures taken from Report Rep. No 10 as they were published in it appear to have included them

3 In the letter 1929-30 when our sales were the highest the United States imported 16 tons of Sandalwood representing an oil consumption of about 12000 lbs. It thus is considerable force in the contention of Mr. J. Gerrish Lewis that the Consumers demand is not met by our supplies of oil there.

4 The Govt. Director states on the terms of our agreement with them both Mr. Rau is no point in it. We are under no objection to that firm not to sell our wood elsewhere or not to distil our oil anywhere we like in India or anywhere outside the United States. We were selling wood to Kuppam factories and we are having our oil distilled in Kanauj.

5 I am of opinion that Sandalwood may be sold to Messrs. G. P. Rama Rao & Sons at prices based on the highest obtained

D. I. C.

Case No. .....

# Notes.

b

Subject:— .....

.....

.....

It may be respectfully submitted that the decrease in the Sale of Sandal Oil in America may not be due either to the inability or the want of business capacity of the Officers of the Mysore Govt to push on the Sales but is the result of Competition of Cheaper oil like the Australian Oil & its recognition by the several pharmacopœias. The chief cause ~~of~~ in recent years One other reason why Sandal wood other than that of Mysore finds a way into America is that American distillers other than Messrs Bush & Co can not get Mysore wood in view of the prohibition that the Director shall not send Sandal wood for distillation to any other manufacturer in the United States. (Clause 15 of the Agreement). Sale of Sandal wood to distillers would amount to Supply of Sandal wood for distillation The Madras & Coorg wood will

May 9

WD 01825—GPB—1,500—21-6-34

Serial No.

naturally be exported when there is demand for it especially ~~as the~~ when the Mysore Govt has ceased to bid at their auctions and buying their wood to avoid competition. Attention is also invited to Clause 2 of the Agreement under which the maxm quantity to be distilled in New York is to some extent limited. Export of Sandalwood to America for supply to distillers other than Messrs Bourne Co would aggravate the Competition in the S. Oil trade. When the question whether it is profitable to ~~ship only~~ export Sandalwood only instead of getting it distilled there will have to be seriously considered. In addition to the competition of Cheaper oil we would be creating competition of oil distilled from our raw product. Next in regard to Sale of Mysore Sandalwood in India it has not been the practice to sell it either for Trade or export or distillation but for the ~~sale of~~ wood is sold for bona fide domestic & religious purposes Vide Forest Notn of 6.8.1924 (Mysore Gazette of 16.8.1924.

NOTE—Contn. Sheet.

Reg R

File No. of 193 .

General and Revenue Secretariat

~~He obj~~ It is clear
the object of Mr. Gorinda Rao
for the purchase of wood appears
to be for the purpose of export
to America. If it is proposed
to ~~supply~~ sell the wood notwithstanding
the increased competition it is
likely to create in the S. Oil trade
in America, the Chief
Conservator of Forests will
have to be consulted re the
quantities that can be
made available and the
price to be charged per ton.
Submitted for orders.

K.P.
28/3

21 The recommendation of the Dy.
to sell sandalwood direct to the buyers
constitutes an important modification
of the main policy with regard to sandal-
wood that is being followed till now.
Barring trifling quantities of wood sold to bona
fide users locally all sandalwood is
being distilled into oil either in the
State or in Kanara or in U.S.A. If
the recommendation to sell wood is
adopted in this case we shall be
a number of buyers who might be
subsequently be desirous of taking consider-

Serial No.

able quantities of wood for export or other uses. We will thereby be creating a rival agencies for interference in competing with the Govt. oil lands locally and abroad in addition to the uncertainties that already exist in the way of marketing our oil owing to the competition from West Australian oil wood & Madras Coorg wood there will be another ~~one~~ factor operating to counteract the disadvantage that our oil might accrue otherwise. Although there is nothing to prevent our selling sandal wood in India; yet it would not be fair to Messrs Bush & Co. if such wood ultimately ~~found~~ found its way into U.S.A. We will be acting against the spirit of our contract with Messrs Bush & Co. After all if the private firms find it profitable to buy wood from us and export it abroad it is only an argument for increasing our sales exports abroad & by inducing our Agents to take more of our wood to counteract the ~~competition~~ competition from the non-Mysore wood & thus get the benefit of the increased exports that would go to private agencies otherwise.

22 There seems to be urgent need to look into the question in its wider perspective effect

Contn. Sheet.

10

4096

File No. of 193 .

General and Revenue Secretariat

and fix the lines of our future policy in this respect in consultation with the Trade Comr. also if necessary.

Dev. Secy. 29/3.

5888
29/3

27 For reasons pointed out by the Assistant Director, correct figures are not available of the sandalwood exported to America during the year 1933-34 but in the 11 months (from April 1934 to February 1935) only 388 tons of sandalwood have been exported to America and this must be mainly Mysore wood. We may, however, take it that the tendency is for increasing quantities of Indian wood and Australian Oil to find their way to America. The remedy suggested by Mr. T. Govinda Rao is that his firm should be allowed to export Mysore sandalwood to America and the present Director has recommended that sandalwood may be sold to the firm at prices based on the highest rates obtained in the Madras and Coorg sales which was about Rs.890 for billets and about Rs.800 for Jajpokal.

28 An analysis of the distillation and sale of the Mysore Oil brings out the fact that the factory is obtaining the highest yield on sales of our oil in America. In 1933-34, 450 tons were distilled and the yield was 121.6 lbs a ton. The cost of distillation including transport and selling expenses was Rs.1.9 plus 1.33 or 3.23 rupees a lb. The average selling rate

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.

rate was 11.48 rupees so that the net revenue per lb. was Rs. ~~6.25~~ 8.25 and on a ton of wood Rs. 1003/-. This was against an average of Rs. 784/- for the sales in other areas or Rs. 843/- for the whole quantity of the Mysore Oil including America. No wonder then that the rival woods seek this venue which is the most profitable under the present conditions.

25 As long as Madras and Coorg Governments sell sandalwood without an agreement with Mysore, the competition of this wood is sure to be felt in all territories and naturally it should tend to be the keenest where the return is the highest.

26 The remedy suggested is that we should sell wood in America also. This will at once have the effect of increasing the competition and certainly bringing down the premium which we are now securing in America. It may be agreed that other factors remaining the same, this premium will be brought down by the competition of the Madras and Coorg woods but our adding Mysore woods will only accelerate the pace. Mysore can establish a monopoly in oil and wood in America only if we are prepared to reduce the net return to about Rs. 800 which may increase the sale by another 200 tons at the most. In effect this means that instead of getting 450 x 1000 = 4,50,000 rupees, Mysore may secure 650 x 800 = 5,20,000 rupees. The additional 200 tons will bring only 350 rupees a ton. I doubt if it will bring anything higher.

NOTE—Contn. Sheet.

WD 01955—GPE—22,500—12-6-34

1. Even apart from this aspect, we are bound by our agreement with Messrs. Bush and Co., not to sell wood in America. That we do so indirectly but knowingly is no excuse though it may not be a legal breach of the agreement.

2. The best thing for Mysore would be to examine the American market more closely and see if it is not possible within limits to increase the sales of our oil without disturbing prices very much.

3. The agreement with Messrs. Bush and Co., provides that "the company shall from time to time submit to the Director and to the Trade Commissioner for Mysore in London, correct and authentic market reports on sandalwood oil, explaining the tendencies as regards prices and demand for the oil".

4. I am not sure if any reports are being received here either direct or through the Trade Commissioner. The Director may be requested to get these reports regularly hereafter.

5. In particular, we may cable to the Trade Commissioner and get, to start with, a complete report showing (1) who are all the other Distillers (2) the sources of their supply of wood, (3) Imports of Australian Oil and wood and price relation. Would Messrs Bush and Co., themselves recommend increased distillation and sale of Mysore wood and if not why not?

General and Revenue Secretariat | File No. | of 193 . | [App. F. III—2

Serial No.

32 Till this is received and reviewed, it seem dangerous to sell Mysore wood for export to America.

33 The Chief Conservator of Forests may also be consulted in regard to the availability of the superior varieties and the advisability of selling them.

34 As regards imports into India, it is showing a gradual decline. During the 11 months from April 1934 to February 1935, the total imports were 267 tons against 329, and 389 during the same period in previous years. The wood from Australia and New Zealand was 91 against 157 and 162 tons, and the average price was only about 550 rupees a ton. The wood from Straits Settlements bears an import value of about Rs.330 a ton and from other countries about Rs.130 a ton. This must all be inferior stuff and increased offer of Mysore wood cannot have any effect.

OFFICE OF THE FIRST MEMBER OF COUNCIL
5 APR. 1935
No. 2248

35 To conclude, I would suggest that a thorough examination of the market for wood and oil be in America through our Agents in the first instance and their opinion invited as to the possibility of increasing the sale of our oil before any change is made in the present policy of the Mysore Government.

Ind M.V.

First Member 5/4

NOTE—Contn. Sheet.

WD 01955—GPE—22,500—12-6-34

36 I think we may discuss this at C.C. of the Dis. on Monday the 8th at 4 P.M.

Issue D.O.s

5864 F
0072

14

File No. S.O.7. 81 5415 5589 5713 of 1934. 5777

General and Revenue Secretariat

Letter no-3911 dated 15-vi May 1935 2
from the Dir. S.O.F. stating that
the experiment of selling wood to
messrs Rama Rao &c. should be
tried.

37 Subs for orders. The opinion of
the Chief Conservator of forests may also
be obtained. The circumstances in which
Kib. 25.5.35. S. wood distillation was
no undertaken in preference
to sale of S. wood are contained wherein
in Dir Mr. A.H. 8.0-15 (1-3, 1b)
and the Dir's Report. of the
S.O.F. for 1916-17).

~~The Chief Conservator of forests~~
~~consulted. The Fr. Consr. of forests also.~~

Secy. Asst Secy

38 The Fr. Consr's. further report may be
awaited. In the meanwhile the C.C.F
may also be consulted perhaps.

Dep-Secy. 25/5

39 The trade commissioner had
consulted Messrs Burn & Co and they
both strongly hold that any attempt
to sell wood in America will
prejudice the sale of our oil there.

(The orders from the Secy rel. to 13/5)

7036
27/5

The T. is reported
have since been
received; and has
been placed below
for his perusal.
The proposal of the
Dir. for the sale of
wood is received
is for orders (5.713
14-13.6.35.

Viewed with
Secy's 13.6.35
24-6-35.

Asstt-Conservator of forests
note D. 21 99-33
14-10-9-35

Serial No.

40 But the Director still thinks that an attempt should be made and his arguments are hereby summarised

41 – He feels that the oil distilled by our agents in Bombay is inferior because they adopt primitive distillation methods what differences there are in the apparatus and even the technique between our only satisfies Bombay requirements specifications but in a recent report, the Perfumery after an examination of the Bombay oil states "I am quite definitely of opinion that Sandal B is of lower perfume value than B, the oil definitely known Bombay and the two Hybrid distilled oils" again "Sandal A & D are darker in normal Sandal B any Hybrid distilled".

D-S 9414
S of I 78-33-4
(Printed.)

Sandal B Hybrid & Cultivation

42) It is very difficult to arrive at the quantity of sandalwood exported to Bombay from India owing the Three Years. Taking the latest year April 1934 to March 35, only 412 tons have been exported to America which the Myore Share is 350 tons. Whatever it is the quantity from India wood is very small and are trying to sell 300 tons will certainly ruin the market for our oil.

43 The Mysore Agents have not taken any interest

File No. S of S, of 193 4. General and Revenue Secretariat

and it is difficult to indicate as to what data they have to call large quantities of wood in the U.S.A market. Hence Statistics might be misleading. Small quantities occasionally migrate to the U.K. but the quantity is very small as explained by Mr. Graham in his letter dated 4th March as I have already pointed out, the sale like Myers Gent Kundalia are the clauses in the agreement with them. I am not therefore in favour of the sale of wood in Burma without further detailed investigations. We may write to the Burma Trade Canal and get a full report about the quantity Indian Australian wood imported into Burma, the other deciduous trees, Statistics if available and exports etc. They generally maintain and supply full information. I may add that the usual breed of the quality Myrene oil is being maintained in America and would not highly disturb the market. Yours sincerely,

16.7.

16.7. P.S. The Director has not made a reference in his pink report

OFFICE OF THE FIRST MEMBER OF COUNCIL
17 JULY 1935
No. 548

letter letter rate at which the wood should be sold to Messrs Ramachandra Chetty. The average declared value during the period is 1167 Rs. also. Rayne wood of Burma was declared at 120 Rs. till 1934 when 1936 prices at 1000 Rs.

First Member

17.7.35

This file might be sent to First Member on his return

17.7.35

48 Letter discussed with the Director

17/7/35

49 The question was further discussed by the First Member with the Dy Director who was also present and later with me. I am writing this note under his general instructions.

50 The position at present is that in spite of the effort to obtain information on specific points, The Trade Commissioner had not given us useful details. He endorsed the view of Messrs Bush & Co that the market for it cannot be expanded and that very little Indian wood is being imported in America. In 1934, they state, no Australian wood or oil has been imported. It is difficult to believe this as the published returns in Burma show that there is a steady

NOTE—Contn. Sheet.

Export of Non-Myrave wood to America of about 100 to 150 tons a year.

5-1. On the other hand Messrs Rama Rao & Co assert that there is a market beyond what is catered for by Messrs Burkart & Co and that this is partly taken care of by the importing non Myrave Indian wood. They even hint that a portion the demand is left unsatisfied for want of Sandal wood. Ours is this market They would like to tap and They feel that their business will not affect our rates.

5-2 Messrs Burkart & Co are equally positive and the Trade Commissioner agrees with them that it would be beneficial for Myrave to sell wood and thus & set up competition against our own oil.

5-3. In the absence of detailed information — The T.C is not getting the periodical reports from Messrs Burkart & Co. which they have to send under the agreement — it is difficult to visualize the exact position in America.

5-4 Should Messrs Rama Rao & Co have been misled and the additional demand prove a delusion, then the sale of Myrave wood in America

would seriously disturb our oil market in America.

5·5 In the absence of correct authoritative information, the question arises why not make use of the offer of Messrs Rama Rao & Co and test the market. Would not the various objections urged against the proposal lose a good deal of their force if a comparatively small quantity is sold to Messrs Rama Rao & Co without any commitment for the future at a price which will not enable a rival distiller to underquote the Myrex oil sold by Bush? They would.

5·6 The next question is to decide the quantity & rate that may be safely offered.

5·7 Since the discussion, the first Member has obtained from the Director a statement of comparative sales 1933-34 & 1934-35. I have obtained from the Asst Commissioner a statement showing the gross & net realizations during 1934-35.

Flag B

Flag C

5·8 The following is an abstract of the first statement

| Customer | Sales in Bihar. 1933-4 lbs | 1934-35 lbs | Difference |
|---|---|---|---|
| Messrs Colgate Palmolive Peat & Co. | 24,800 | 15,600 | −9200 |
| Other firms who have taken 1000 gallons & over in any year | 21,950 | 26,475 | +2525 |
| Firms. . . 100 gallons. . . | 6000 | 2775 | −3225 |
| Less than 100 lbs. | 371 | 435 | + 64 |
| Total | 53.121 | 43.285 | −9836. |

NOTE—Comm. Sheet.

20

File No. S.OF. 81 of 1934

General and Revenue Secretariat

+ wi Letter D/31.3.35 from the P.C. Bihar to Dir. S.OF.

Flag K

(Encl. 65-6072.

60F-81-34-35

The smaller quantity taken by edgate has been explained* and this statement shows that the market average is maintained.

59 As regards rates the average figures show an improvement in spite of the fact that the rate to edgate has been reduced by 3.5 ₹ a lb.

60 The following shows the comparison.

| | Average gross rate per lb. | Expenses per lb. | Net price per lb. | Value of 1 cwt Sandalwood on the basis |
|---|---|---|---|---|
| | Rs | Rs. | Rs | Rs 1003. |
| 1933-34 | 11.68 | 3.23 | 8.25 | |
| 1934-35 | 12.02 | 3.12 | 8.90 | 1082 |

N.B. Excluding the contract with Messrs Pannalal etc the rate will work out to Rs 12.67.

61 The statement of exports compared with the factory engagements shows that the largest quantity sandalwood powder for export is 50 tons against an average of 8 tons a month.

62 At the same time it must be remembered that the highest rates ruling in Mysore & Coorg sales for billets was Rs 8.90 and that a new firm entering the market will have to meet expenses at higher rates and they have their own profit to consider.

63 After a complete review of all these facts, it was felt that the sale of Mysore oil might not in all probability

General and Revenue Secretariat. File No. S.D. 81 of 1934 [App. F. III-2

be appointed Shri the Mysore Govt sell only 5 tons and fix the price at about 95 Rs a ton; without any further commitment from Govt

For orders

Tentatively MW. 7.8.35.

OFFICIAL FIRST MEMO 7 AUG. 1935 945

64 Let us consider this at an urgent meeting of the S. D. Board — if possible on Saturday at 4.30 PM. MW. 8/8 8.8

65 Mayne submitted with the Remarks Sanctioned as Board. MW. 12.8.35.

66 Submit with copy of the proceedings of the S. D. Board meeting of 10th Aug. 1935 Containing the Resolution of the Board

67 The Board[x] were of opinion that "a small consignment of not more than 5 tons may be sold at a rate of not more than Rs. 95 per ton cash against delivery at the Kolar."

68. Put before giving effect to the above Resolution, it is for orders of Messrs Brush Bros and the Govt of India to be consulted as suggested by the S. D. Board. 68 May an order embodying the last para of the proceedings be put

NOTE—Contn. Sheet.

MB. 19.8.35.

KB 19/8

(Chair) Consumption dissenting

No. 1111 W. 8799 8.8.35 being out Remit

2v

File No. of 193 . General and Revenue Secretariat

The request of Messrs G. P. Ramachar & Co for the sale of a certain quantity of sandalwood to them is based on the information that their firm is stated to have received about the existence of a demand for sandalwood in America over & above that met by Messrs Bush & Co. The Sandalwood Oil Board feel that the information before them at present is not sufficient to give a correct idea of the situation in this respect in America. The recommendation of the B.T. to them before to sell a small consignment, on a trial, at a price which will not affect prejudicially the selling out is by no means the idea is to meet the demand in America for our wood. Their fairest course would be to give their first refusal to our own Agents there and on their failing to avail of it to give the chance to them. In any case the Messrs Bush & Co. have to be informed of the contemplated sale of wood and their views considered before taking further action.

To in this view the Tr Comr & Messrs Bush & Co. may perhaps be written to in the first instance before giving a reply to Messrs Ramachar & Co

Dy 29/8

1200 p 335

813
507

General and Revenue Secretariat. | File No. of 193 . | [App. F. III-2

Submitted with reference below 66.

~~First Member~~ —

MW. 20.8.35.

1104
20/8

The Revenue Commissioner's Law Secretary's

indicated on this resume 66
21/8

Law Br. 22/8.

OFFICE OF THE
21 AUG. 1935
1337

66
Law XXX
Please get S.O.7
14-33-3
which contains
the agreement
between Bush
MM
24/8

The Connected file
pursuing and agreement
is flagged.
TSV
26/8

3. Clause 10 of the Distilling Agreement with Messrs Bush & Co is as follows:—

"During the period this agreement is in force the Company shall not distil any Sandalwood other than that furnished by Govt: and the Director on his part shall not send Sandalwood for distillation to any other manufacturers in the U.S. except for the purpose specified in cl 6".

4. With this has to be read cl 11 of the Sales agreement wherein Govt have undertaken not to "sell or deal in any sandalwood oil or wood in the United States during the term of this agreement save through the agency of the Company".

5. I think that on a reasonable interpretation of these two clauses, it follows that Govt cannot directly or indirectly through any agency sell Sandalwood in the United States except

NOTE—Contn. Sheet.

g 41

81-5/507 Subject No 5

File No. of 193 . | General and Revenue Secretariat

through messrs Bush & Co. These clauses therefore do not prevent Govt from selling sandalwood to a firm in mysore, even though they know that that firm is exporting such wood to the United States. For such sale, Govt incurs no legal liability to the agents in America. But if the sale in mysore is merely a cloak to get out of the obligations of Govt under the agreements with messrs Bush & Co, which may be inferred to be the case if the sale is of large quantities and that too at competitive prices, messrs Bush & Co, I think, will have a real grievance against Govt. It is certainly not advisable or desirable for Govt to place themselves in such a position.

Dev Secy) 26/8/35

To with reference to Fort Member's Minutes dated 23rd instant

Fort Member 27.8.35.

Will Secy please hurry up by 27/8

27/8

A draft letter from Director Dec 6th T.C is submitted herein for approval

Fort Member 7.9.

7/9

OFFICE OF THE HON MEMBER 27 AUG 35 1499

1240 27/8

OFFICE OF THE HON 30 OCT 35 1905

in the Annual report of the T.C.
~~record~~ which I am sending the
point is dealt with the T.C. seems
agree that Bombay's information is
correct. Will you please examine
this draft in the light of the T.C.'s
arguments & comments in that letter?

KG
8/9

MW 9.9.

9/9

Negd. I.V. Office
(Flag N)

The views of the T.C. as expressed
in the Admn Report have been sought
in the double lantern, and the change
makes out a case for the longer export
figures by the U.S.A. & merits the entire
demand for 01. dated with reference
No. 12.9.35.

KG 13/9. The Tx. Com's statement that the
figure in the statistics of Sea-borne trade
probably includes inclusive of part
the exports of the previous year & and he
go further to say that the information
the Agents is correct "at least for the
present". He is therefore not very sure
the basis on which he has come to the
conclusion which he has expressed in the
Admn Report

NOTE—Contn. Sheet.

2½

File No. of 193 . General and Revenue Secretariat

(Mr C.B. Ramsaluka)

His/ views have also been embodied in the proposed draft (vide first sentence in para 2) ~~The draft appears to~~ The view taken in the draft proposed is based on the ~~records~~ figures of exports in the monthly Accounts of the Sea-borne trade & Coastal specific instances ~~for~~ of certain months, in which ~~wool~~ non-Mysore origin has been shown to have entered into America. Information received from Mem. Rama Rao & Co is also to the same effect. The draft does not therefore appear to need any revision on this point.

1661
14/9/35

OFFICE OF THE FIRST MEMBER OF COUNCIL
17 SEPT. 1935
No. 2110

Dy Secy
Fin Member
16.9.
Secy approved
16.9
The Director might appropriately issue this. Please send a copy with a suitable covering letter.
16.9.
Sanction
17.9.35
Secy
Issued
17.9.
Letter No D 2256 dated 1-10-35 to
Ind. Dis. Ltr enclosing a copy of
letter from T.C

SECTION
SEP. 1935
REV. SECTT.

REV. SECTT.
21.9.

I submit herewith for
perusal the two files relating to
the proposal made some months ago
for export to America the enclosed
The enclosure with dupl
of this letter contains the wood export
to America the Tasting Share export
to Messrs Burdett Co.
~~The Director~~
Information for later months
is being collected and will be
submitted separately.
The Director seems to
have received a copy put to T. S. and
he is pressing a copy which I export
very soon.
If Messrs Burrows have
no more wood to sell this year than
has already been sold in advertised we
may expect a renewal of their reports
to sell wood but we have to gain more
by selling all the sale of wood for
boundaries religious & domestic
purposes should also be further
with utmost.
Yours sincerely

9.12.35.

OFFICE OF THE SECOND MEMBER OF COUNCIL
DEC 1935
4466

13-5-36

17 MAY 1936

DEVELOPMENT BRANCH

NOTE—Contin. Sheet.

Subj to Assn Secy (Forests)
by 10/12.35

Sen. Manks 11/12.

Forests

Three papers regarding export of Sandalwood

10/12/35

10.12.35.

2P

174
3870-36
4522-36

File No. of 193 .

General and Revenue Secretariat

Dennis orders in File no. S.O.F.
(81-34 85-10-14) — D 3965-1935.
The whole proposal may be
turned down, as the C.C. of 7
and the Min. I. H. had no business
to make any such promise
Part D leave the final decision
to the members.
Sd. M.M.D. 27-2-37
Sd. N.M. 27.2.37
The papers may be filed.
Sd. M.N. 12.3.37

B/G-
12.3.37.

RECEIVED
12 MAR. 1937
DEVELOPMENT BRANCH

MEMORANDUM

No 687/1

From

The Assistant Director,
SANDAL OIL FACTORY,
MYSORE.

To

August 3rd/93 5.

The Director of Sandalwood Oil
Factory in Mysore,
Bangalore

SANDAL WOOD OIL FACTORY
No. 343
Date 3-8-35
BANGALORE.

(29)

Dear Sir,

With reference to your telephone message of even date, I enclose herewith a statement showing details of sales of Sandalwood Oil in America during 1933-34 and 1934-35.

Yours sincerely,

B.S. Iyengar

Send.
This information was required by the Director.
Services with reply
5.8.35
5/8 wd.
submitted to the first number of
5.8.35

KWD 451—GPB—150 Reams—12-12-33

[Please reply overl

Director.

Encl.to letter of 3.8.35.

| | Name of party. | 1933-34. | 1934-35. |
|---|---|---|---|
| | Messrs:-- | lbs. | lbs. |
| 1. | Sharpe & Dohme | 3,050 | 3,000 |
| 2. | Colgate Palmolive Peet Co. | 24,800 | 15,600 |
| 3. | Brunswig Drug Co. | 8 | .. |
| 4. | H.Planten & Sons | 2,500 | 1,525 |
| 5. | Eli Lilly & Co. | 4,000 | 3,300 |
| 6. | Arthur & Winarick | 100 | .. |
| 7. | Fritzsche Bros. | 2,800 | 3,200 |
| 8. | J.B. Horner | 100 | 100 |
| 9. | Ungerer & Co. | 4,000 | 5,200 |
| 10. | Bazar of India. | 3 | .. |
| 11. | Compagnie Duval | 30 | 65 |
| 12. | Riviera Products. | 375 | .. |
| 13. | A.C. Drury & Co. | 200 | .. |
| 14. | American Incense Co. | 4 | .. |
| 15. | H.H.Iyer Inc. | 200 | .. |
| 16. | Belmay Inc. | 25 | .. |
| 17. | Parke Devis Co. | 3,500 | 4,750 |
| 18. | Brewer & Co. | 750 | 150 |
| 19. | John Wyth & Co. | 400 | .. |
| 20. | Abner Royce | 1 | .. |
| 21. | Ohiovalley Drug Co. | 3 | .. |
| 22. | Dodge & Olcott | 900 | 1,000 |
| 23. | Lorel Scientific Essential Lab. | 10 | .. |
| 24. | Synfleur Scientific Lab. | 80 | .. |
| 25. | W.S. Merell | 500 | 100 |
| 26. | P.R. Dreyer | 475 | .. |
| 27. | Upjohn Co. | 30 | 45 |
| 28. | Magnus Mabee & Reynard | 100 | 1,400 |
| 29. | Carlova Inc. | 100 | 250 |
| 30. | Standard Pharmaceuticals | 10 | 4 |
| 31. | C.E. Jamieson & Co. | 275 | 75 |
| 32. | K.W. Von Massow | 5 | .. |
| 33. | Ferris & Ferris Drug Co. | 5 | .. |
| 34. | J. Manheimer | 400 | 300 |
| 35. | W.M. Webster | 25 | 100 |
| 36. | Establishment Regard.(E.Fougera & Co.) | 1,100 | 1,100 |
| 37. | M. Ernst & Co. | 1 | .. |
| 38. | Keystone Laboratories. | 25 | 25 |
| 39. | Behrenes Drug | 6 | 4 |
| 40. | Roberts Drug Co. | 3 | .. |
| 41. | Zenith Perfume Co. | 1 | .. |
| 42. | Abbott Laboratories | 675 | 600 |
| 43. | La-Finne Ltd. | 2 | .. |
| 44. | Arner & Co. Inc. | 30 | 92 |
| 45. | Fling Eaton & Co. | 2 | .. |
| 46. | Burrough Bros.Mfg.Co. | 400 | .. |
| 47. | Quality Products Co. | 2 | .. |
| 48. | Fredericksteams | 200 | 300 |
| 49. | John Parde | 1 | .. |
| 50. | Carter & Co. | 1 | .. |
| 51. | Procter & Gamble | 625 | 100 |
| 52. | Ulen Chemical Co. | 1 | .1 |
| 53. | R.M.G. Inc. | 25 | .. |
| 54. | Warner Bros. | 100 | 300 |
| 55. | Mayer Bros Drug Co. | 100 | 200 |
| 56. | Antoine Chiris | 25 | .. |
| 57. | Standard Oil Co. | 1 | 4 |
| 58. | Darling Products. | 1 | .. |
| 59. | Larkin Co. | 25 | .. |
| 60. | Dealers Corp. | 5 | 3 |

p.t.o.

31

| Messrs. | 1933-34. lbs. | 1934-35. lbs. |
|---|---|---|
| 61. J.E.McBrady & Co. | ... | 5 |
| 62. Bayers's Cheml.Lab. | ... | 25 |
| 63. Franc C. Gephard | ... | 1 |
| 64. H.E.Sherwood Co. | ... | 2 |
| 65. Bowmann Bros Drug Co. | ... | 2 |
| 66. Elizabeth Arden Inc. | ... | 1 |
| 67. R.M. Singers | ... | ½ |
| 68. Ovalton Hygienic Lab. | ... | 5 |
| 69. Compagnie Parento | ... | 100 |
| 70. J.B. Williams Co. | ... | 50 |
| 71. West Coast Drug Co. | ... | 6½ |
| 72. Citrus & Allied Essential Oil Co. | | 25 |
| 73. Rimine's | ... | 1 |
| 74. Morgan & Millard | ... | 1 |
| 75. Superior Pharmaceutical Co. | ... | 3 |
| 76. Lambert Pharmaceutical Co. | ... | 50 |
| 77. Frazer Tablet Co. | ... | 1 |
| 78. Givaudan Inc. | ... | 100 |
| 79. Audrea Laboratories. | ... | 3 |
| 80. United Laboratories. | ... | 4 |
| 81. Leonard Seltzer Co. | ... | 5 |
| 82. J.D. Jameson | .... | 1 |
| Total: | 53,121. | 43,285. |

B.S. Iyengar
Assistant Director I/C.,
Sandalwood Oil Factory.

Mysore/3.8.35.

| | 1933-6 | 1934-35 | Diffn |
|---|---|---|---|
| Colgate Palmolive Peets | 24800 | 15600 | −9200 |
| other firms who have taken 1000 gallons or over in any year | 21950 | 24.675 | +2525 |
| firms who have taken 100 gallons but less than 1000 in any year | 6000 | 2775 | −3225 |
| less than 100 gallons | 371 | 435 | + 64 |
| | 53121 | 43285 | −9836 |

n 685

Given by Mr Wajid

(65)

The following explains the position in regard to our having provided Rs 2.05 per lb towards distillation charges in America.

The following is an extract of Distilling Agreement of Messrs. Bush & Co:-

> "As remuneration for its services, the Company will receive a fee of $ 80 per ton of 2000 lbs of Sandalwood distilled by the Company."

$ 80 converted into rupees at the exchange rate of 2.75 would work out to Rs 220/-. Therefore Rs 220/- will be the distillation fee we are going to pay for Messrs. Bush & Co., distilling 2000 lbs of Sandalwood. The average output per ton of wood of 2,240 lbs is reckoned at 120 pounds. On the basis of Rs 220/- per short ton of 2,000 lbs, distillation fee for the universal ton of 2240 lbs would be Rs 246/-. Therefore by dividing this 246 by 120, we arrive at 2.05 per lb of Sandalwood.

(53

Statement showing the net realisation per ton of wood distilled at the different centres based on the Budget Estimates for 1935-36.

---

The average output per ton of wood is separatel reckoned at 120 lbs.

| | | | |
|---|---|---|---|
| Kanauj. | Rate per lb calculated at Rs 21/- per seer. ... ... ... ... ... | | Rs 8.9 |
| | Less Expenses. | | |
| | (1) Distillation charges | Rs 2.83 | |
| | (2) Insurance | .41 | |
| | (3) Packing, etc. | 1.19 | |
| | (4) Commission to agents | .25 | |
| | | 4.68 | Rs 4.68 |
| | Net rate per lb of oil .... | | 4.22 or Rs 506/- per ton of wood. |
| Europe. | Estimated rate per lb of oil at 17/- sh. per lb ... ... ... | | Rs 11.33 |
| | Expenses. | | |
| | (1) Manufacturing | Rs 2.486 | |
| | (2) Inland freight | .25 | |
| | (3) Clearing customs etc | .75 | |
| | (4) Commission | .25 | |
| | (5) Advertisement | .18 | |
| | | 3.91 | Rs 3.91 |
| | Net rate per lb of oil | | Rs 7.42 o Rs 890/- |
| Japan. | Estimated realisation per lb of oil calculated at 13.80 per lb: | | Rs 11 |
| | Manufacturing, freight etc. | | Rs 3.91 |
| | Net rate per lb of oil is | | Rs 7.09 o Rs 842/- per to |

Submitted:-

The following is the ~~accompanying~~ statement showing the net realisation per ton of wood is worked out on the basis of the Budget Estimates for the year 1935-36 forwarded to Government with our letter dated 1st April 1935. The average output per ton of wood is safely reckoned at 720 lbs, and the ~~net~~ Gross realisation per lb of oil is estimated at Rs 11/8 per lb. On the basis of this the rate per ton of wood will be as follows:-

| | | |
|---|---|---|
| Gross realisation per lb of oil | | Rs 11.5 |
| Less Expenses:- | | |
| (a) Distillation charges | Rs 2.05 | |
| (b) Transport charges | Rs 1 | |
| (c) Commission | Rs .34 | |
| | Rs 3.39 | Rs 3.39 |
| Net realisation per lb of oil is | | Rs 8.11 or Rs 973 per ton. |

In deciding the question of supplying Sandalwood to Messrs. G.P. Rama Rao & Co., the above calculations do not appear to be quite appropriate because their offer is for the purchase of 200 tons which means a sale of 24,000 lbs. Our ruling rate in ~~Canada~~ America for such large quantities is $ 3.50/- as could be seen from G.O. No. D.7089/S.O.F. 11-34-4 dated 26th April 1935, approving of the sale of 21,000 lbs of oil to Messrs. Colgate Palmolive at this rate. Hence the rate per lb of oil is to be reckoned at 3.50 equivalent in rupees being Rs 9.62 as gross realisation per lb of oil. On this basis ~~calculations~~ the realisation per ton of wood would be as follows:-

| | |
|---|---|
| Gross realisation per lb of oil | Rs 9.62 |
| Less Expenses | Rs 3.39 |
| Net realisation per lb of oil | Rs 6.23 or Rs 747 per ton of wood as |

against the average realisations at the Madras and Coorg auctions of 1935 as detailed below:-

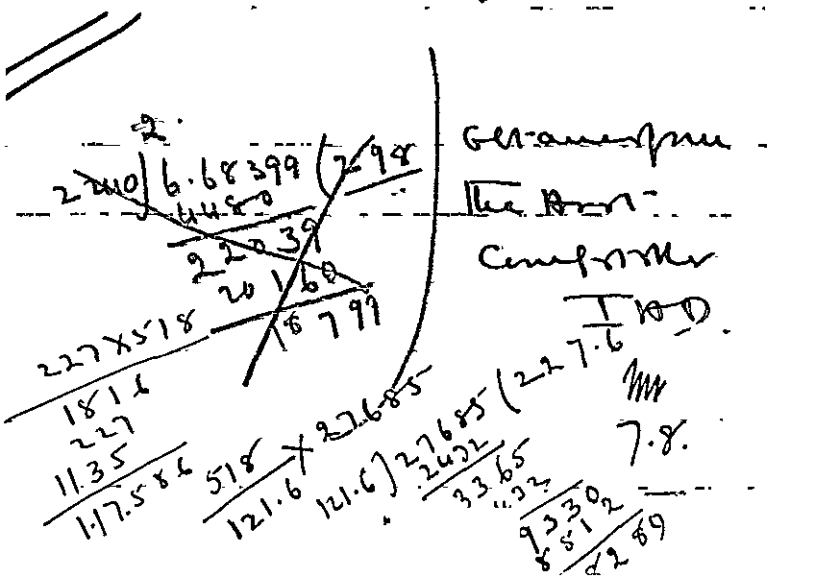
1. Billets ... Rs 891/- per ton.
2. Roots ... Rs 824/- per ton.
3. Juj ... Rs 802/- per ton.

# 936-35

Quantity of S. wood
Consigned to Burma 668399
Burnt ——— ?
Out turn 47,756
Sales ⊗ 43,285
Gross Value Rs. 5,20,386
Manufg. & Marketing Rs 134,445
Net return Rs 385891

Note 1. Figures are approximate as time are have not yet been prepared.

Note 2 ⊗ Sales include
a) Pan the Davis Co. 4750 lbs @ $ 5/00
b) Calcutta Pottinstier Co. 1500 lbs @ $ 3/50
c) Eli Lilly Co. { 5000 lbs @ $ 5.15 / 28000 lbs @ $ 5.00



## I. [illegible] ACCOUNT:

| | Factory: | America: | Germany. | Total: |
|---|---|---|---|---|
| Opening stock on 1.7.35: | Tons. 121--0--2 | 92--16--32 | 0---6---03 | 240---7---7 |
| (a) receipts during July-October 1935: | 634--2--3[illegible] | 150---0--00 | 45---0---0 | 829---2--30 |
| Total:-- | 755--2--3[illegible] | 242--16--32 | 51---3---03 | 1069---9--37 |
| Less issues: | | | | |
| (1) for distillation. | 550-15---[illegible] | 137---7-110 | 45---3---103 | 730---0-103 |
| (2) for consignment to ex-farm: | 150---0---[illegible] | ... | ... | 150---0---0 |
| (3) -do- to Germany: | 45---0---[illegible] | ... | ... | 45---0---0 |
| (4) Loss-in-preparation. | 1-14---[illegible] | ... | ... | 1---14---3 |
| (5) Under stock transferred to Ports Canal Coil: | 0---1---0[illegible] | ... | ... | 0---1---03 |
| (6) Under cost to Ex-Farm Rajahmundry Channel Coils, for experiments. | 0---0---1[illegible] | ... | ... | 0---0---12 |
| Total issues:Tons. | 755-10---0[illegible] | 137---7-110 | 45---3---103 | 947---2---85 |
| Closing stock on 31.12.35 Tons:-- | 171-11---[illegible] | 105--10--34 | 6---4---70 | 282---5---50 |

B.S. Iyengar

Secretary,
Y.S.P.A.
Coconut 20th [illegible] 1936.

[illegible]

# II. STOCK ACCOUNT OF SANDALWOOD-OIL.

| Details: | Factory. | London. | Marine. | Canada: | Australia. | Japan: | China: | Kanauj: | Total: |
|---|---|---|---|---|---|---|---|---|---|
| Opening stock on 1.7.1935: | lbs.ozs. 14668-12 | lbs. ozs. 10762-11 | lbs. ozs. 11375--0 | lbs.ozs. 2074--0 | Leases. 225--0 | lbs.ozs. 2957--0 | lbs.ozs. 2559--0 | lbs.ozs. 2311-10 | lbs.ozs. 45,040-9 (1 |
| Returns: | 0--1 | 31--3 | .. | .. | .. | .. | .. | .. | 31-1 |
| Mill output during July-Oct.1935: | 30213-14 | 19203-14 | 14538--0 | 3375--0 | .. | 4100--0 | .. | 6949--0<br>2000--0 | 80,686-12 |
| Total:-- | 44879-11 | 30040--9 | 25913--0 | 5749--0 | 225--0 | 6157--0 | 2559--0 | 11260-10 | 126,757-140 |
| Mill issues:-- | | | | | | | | | |
| Sales during 4 months: | 12763--0 | 13736--0 | 16252--0 | 1294--0 | 150--0 | 2300--0 | 93--0 | 9435--0 | 56,050--8 |
| Samples, drafts, leakages, etc. | 127-11 | 5-11 | .. | .. | .. | .. | .. | 12--0 | 145--6 |
| Stocks transferred: | 19233-14<br>2050--0<br>4150--0 | 3675--0 | .. | .. | .. | .. | .. | .. | 27,030-14 |
| Total issues: | 38230--9 | 17416--3 | 16252--0 | 1294--0 | 150--0 | 2300--0 | 93--0 | 9447--0 | 83,226--12 |
| Closing stock 31.10.1935:-- | 6340--2 | 12623--60 | 9536--0 | 4455--0 | 75--0 | 3857--0 | 2471--0 | 1713--10 | 41,531--24 |

Sandalwood Oil Factory,
Mysore.
Dated 25th Dec: 1935.

atk-8).

B.S. Iyenga

SANDALWOOD-OIL REVENUE ACCOUNT.

| Name | ers: | Outstandings: 1st July 1955. | Value of sales: | Remittances: | Outstandings 1st Novr: 55 |
|---|---|---|---|---|---|
| London. | | £.7526-16--2<br>Zy.3782.325<br>Rm.4125.00 | £.9637--0--8<br>Zy.3779.550<br>Rm.25860.00 | £.14610--6--8<br>Zy.3782.325<br>Rm.21062.50 | £.2553--10--<br>Zy.3779.550.<br>Rm.9922.50 |
| America. | | $.4302.18<br>£.752-10--0 | $.41328.60<br>£.5534--0--0 | $.38795.80<br>£.5986-10--0 | $.9135.98<br>£.450--0--0 |
| Canada: | | Can.$.1104.70<br>U.K.£.2100.00 | $.1483.90<br>$.3590.00 | $.2160.00<br>$.5600.00 | $.428.60<br>£. ... |
| Japan: | | ¥.4806.93 | ¥.33160.00 | ¥.33126.93 | ¥.4840.00 |
| China: | | £.125-14--9 | £.93--0--0 plus 75--3--1 (expenses reversed). | £. ... | £.298-17-10 |
| Factory: | | £.8498--4-0 | £.1,46,835-3-0<br>223,244-7-0 | £.1,52,177-5-0<br>229,503-12-0 | £.3,166-13-<br>£.3,158-15-0 |

Sandalwood Oil Factory,
Mysore.
Dated 20th Decr: 1955.

atk-8).

B.S. Iyengar

Statement showing sales of Sandalwood Oil in the several markets from July 1935.

( Red in figures indicates sales during the corresponding month of 1934)

| Name of Centre. | July 1934 July 1935. | August 1934 August 1935. | Septem- ber 1934 Septem- ber 1935. | Octo- ber 1934 Octo- ber 1935. | Novem- ber 1934 Novem- ber 1935. | December 1934 December 1934. | January 1935. January December 1936 | February 1935. February 1936. | March 1935 March 1936. | April 1935 April 1936. | May 1935 May 1936. | June 1935 June 1936. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | lbs. | | | | | | | | | | | |
| London | 2631 | 2967-8 | 2874 | 4615 | 5074 | | | | | | | |
| 1934 | 1200 | 3775 | 1787 | 4783 | 3076 | 2076 | 4836 | 3175 | 5976 | 6138 | 4786 | 5688 |
| America. | 2740 | 2757 | 6369 | 4416 | 7497 | | | | | | | |
| | ~~441~~ | ~~1963~~ | ~~4328~~ | ~~3857~~ | ~~5042~~ | 3538 | 2693 | 4132 | 5263 | 2395 | 4588 | 3144 |
| Canada | 387 | 375 | 429 | 434 | 102 | | | | | | | |
| | ~~29~~ | ~~48~~ | ~~174~~ | ~~307~~ | ~~456~~ | 265 | 454 | 258 | 435 | 427 | 421 | 438 |
| Japan | 325 | 2825 | 4500 | 1500 | 25 | | ~~10450~~ 10450 | 3525 | 2525 | 2525 | 25 | 323 |
| China | .. | .. | 13 | 32 | 53 | 1166 | | 125 | | 25 | 100 | 56 |
| Australia | .. | . | .. | .. | 150 | | | | | | 175 | - |
| Kanouj | 2177 | 1895-7 | 2797 | 2555 | 2360 | .. | 3331 | | | | | |
| | 3439 | 4263 | 3683 | 3810 | 4173 | 2753 | | 2925 ) | | 4257 | 2609 | 1871 |
| Factory | 1426 | 1193-9 | 1169 | 1311 | 1174 | | 1136 | ) | 7184 | 1505 | 1640 | 1130 |
| | | | | | | 1052 | | 1374 )) | | | | |
| Total | 9656 | 12013-8 | 18151 | 14563 | 16435 | | | | | | | |
| | | | | | 71148-8 | | | | | | | |

Appendix F G—1]

SUBJECT .....

.....

.....

*Diary No. of letter replied to* .....

General and Revenue Secretariat

( )

*the* *193* .

Date of issue 7-2-35

Signed by Asst. M. V.

List of enclosures .....

Copied by .....

Examined by .....

**Section**

**File No.**

**Serial No.**

No. D 5167/Encl 2

To

Dear Mr. Ramanathan

I am desired to forward herewith for favour of remarks, a note in original together with its enclosure, received from Messrs G. P. Rama Rao and Co, Bangalore in regard to the importation of Sandalwood of non-Mysore origin into the U.S.A.

The favour of a very early report in the matter is requested

The enclosures may kindly be returned in due course.

Yours sincerely

MW.

Appendix F G—1]

SUBJECT .....

.....

.....

*Diary No. of letter replied to* .....

General and Revenue Secretariat

( )

*the* *193* .

Date of issue 24/2/35

Signed by M. K. Venkatarangaiya

List of enclosures .....

Copied by .....

Examined by.....

Secti

File No.

Serial No.

No. D 5763

To

Sir

Dear Mr Ramanathan

Subject :- Importation of Sandalwood of Non-Mysore origin into U.S.A.

In Continuation of my D.O. letter No D 5767 Dy 7.2.35 on the above subject, I am desired to forward herewith Copy of a letter No 77 Dy 18.2.1935 received from Messrs G.P. Rama Rao & Co Bangalore ~~on the matter~~ and to request you to kindly favour Govt with an immediate report in the matter.

~~The favour of a very early report is Requested~~

Yours Sincerely

KS 20/2

WD 01956—GPB—22,590—12-6-34

KS 20/2

K.V. Ramanathan Esq

D. O. No. 5663. GENERAL AND REVENUE SECRETARIAT,

*Dated, Bangalore* 21st Feb. 35.

SUBJECT:--Importation of Sandalwood of Non-Mysore Origin into United States of America.

---

Dear Sir,

In continuation of my D.O.letter No. D.5167 dated 7th February 1935 on the above suoject, I am desired to forward herewith copy of a letter No.77 dated 18th February 1935 received from Messrs. G.P.Rama Rao & Co., Bangalore and to request you to kindly favour Government with an immediate report in the matter.

Yours sincerely,

A.V.Ramanathan, Esq.,B.A.,
Director of Sandalwood Factory in Mysore.

GOVERNMENT OF MYSORE

ADDRESS FOR TELEGRAMS:
SANDAL
BANGALORE
CODE USED: "BENTLEY'S"

SANDALWOOD OIL FACTORY

Bangalore, 25th February 1935

No. 3167
Enc.

My dear Venkatanaranappa,

-RE: EXPORTS SANDALWOOD TO U.S.A.

With reference to your letter No.D.5663 dated the 21st February 1935, I send you enclosed copy of Assistant Director's Note prepared under my instructions which states the case clearly. I do not advise selling Sandalwood to outside parties.

The note in original received from Messrs. G.P.Rama Rao & Co., and the Press cutting referred to there in are returned herewith.

Yours Sincerely
Nagaraja Rao

M.Venkatanaranappa Esq., B.A.,
Secretary to Government,
Development Department.
Bangalore.

N.O T E S.

Letter No. D.5167 dated 7-2-'35 from the Secretary to Government, Development Department, enclosing a note from Messrs. G.P.Rama Rao & Sons, Bangalore.

---

The exports of Sandalwood to U.S.A., the quantity shipped from the Factory and the imports of Sandalwood into Indda are noted below:

| Year. | Exports of Sandalwood from India. Total exports Tons. | Factory quota Tons. | Imports of Sandalwood into India. Total imports. Tons. |
|---|---|---|---|
| 1928-29: | 610 | 600 | 551 |
| 29-30: | 738 | 633 | 502 |
| 30-31: | 405 | 466 - 1/2 | 401 |
| 31-32: | 549 | 345 | 395 |
| 32-33: | 111 | 100 | 297 |
| 33-34: | 462 | 650 - 1/2 | 410 |
| Total | 2,875 | 2,794 | 2,556 |

This information is being noted in the Annual reports. In the Sea-Borne-Statistics for 1933-34, there is an omission of exports of shipments of Sandalwood during the months of July & December 1933, January, February & May 1934. Hence, the export figure from India is lower than the quantity shipped from the Factory.

Details of imports of Sandalwood into India, from several countries are as follows:-

| Year: | Straits-Settlements. Tons. | Australia & Newzealand. Tons. | other countries. Tons. | Total Tons. |
|---|---|---|---|---|
| 1928-29: | 89 | 306 | 156 | 581 551 |
| 29-30: | (Details are not given in the report) | | | 502 |
| 30-31: | 88 | 57 | 256 | 401 |
| 31-32: | 142 | 210 | 43 | 395 |
| 32-33: | 76 | 139 | 82 | 297 |
| 1933-34: | 105 | 163 | 142 | 410 |

The quantity of oil sold in America and the average price realised per pound of Oil during the above five years are also noted below:-

| Year. | Sales. lbs. | Price realised per pound of Oil: Rs. |
|---|---|---|
| 1929-30 | 68,325 | 18.96 |
| 30-31 | 56,265 | 19.18 |
| 31-32 | 23,909 | 22.42 |
| 32-33 | 31,073 | 15.75 |
| 1933-34 | 45,374 | 11.50 |

47

The high rupee price of Oil during the year 1931-32 is due to the favourable dollar exchange. This favourable exchange to a large extent, stimulated the exports of Sandalwood, as the distillers found it profitable to import sandalwood. But soon the exports dropped of due to the reduction in rates for Mysore Government Sandalwood Oil.

Messrs. G.P. Rama Rao & Sons, in their Note, have singled out the year 1931-32, in which there was an export of Sandalwood in excess of the Factory's shipments and draw the conclusion that the Consumers' demands in U.S.A. have not been met by Mysore Government. From the figure of exports for the past 6 years given at the beginning of this Note, it will be found that the Factory's total shipments during these years, work out to 90% of the total exports for th same period, levelling up the figures for 1930-31 and 1933-34, to the shipments by the Factory, during these two years. This means, that 90% of the 'Consumers demands' in U.S.A. for East Indian Sandalwood Oil is met by Mysore Government. From this, it is clear that the Agents and the Factory have endeavoured to get the maximum portion of the business. In this connection, it may be stated that our agreement with Messrs. W.J.Bush & Co., (Vide clause 10) prevents Messrs. W.J.Bush & Co. from distilling Sandalwood other than Mysore Govt. wood and the Director on behalf of Mysore Government, from exporting Sandalwood to others for distillation. The clause referred to runs as follows:

> "That the period this agreement is in force the company shall not distil any Sandalwood other than furnished by Government, and the Director on his part shall not send Sandalwood for distillation to any other manufacturers in the United States, except for the purpose specified in clause 6".

The sales since 1931-32 have steadily improved, as noted above.

The biggest buyers

Messrs:
1. Colgate Palmolive Peet.
2. Parke Devis
3. Ungerer & Co.
4. Fritzsche Bros.
5. H.Planten & Son.
6. Establishment Rigand
7. Eli Lilly & Co.
8. Sharpe & Dohme and
9. Brewer & Co., etc.

are all on our list.

During the time of Essenflour Products, the oil was only being sold through jobbers. Subsequent to the termination of their agency, the policy has been to reach the consumers direct.

West Australian Oil is used not because the Consumers' demands have not been fully met by the East Indian Sandalwood Oil, but becanu of its recognition by the Pharmacopoeia of different countries; being cheaper, it has replaced a portion of the demand for East Indian Sandalwood Oil in drug trade.

With regard to the demand for Sandalwood in India, for religious and other non-distillation purposes, the Chief Conservator of Forests may kindly be consulted. But I may add that foreign wood which is not genuine sandalwood is much cheaper and is used by the retailers for adulterating genuine sandalwood chips. Further the inferior wood when left with genuine wood acquires aroma and the retailers take advantage of this. (Vide Statement of Average price enclosed)

---

" C O P Y "

RS.

DIRECTOR.

Statement showing the average rates of imported Sandalwood from different countries during the years 1931-32, 1932-33 & 1933-34 based on information taken out from the monthly sea-borne Trade Statistics.

| Country from which S.Wood imported. | 1931-1932 | | 1932-1933 | | 1933-1934 | |
|---|---|---|---|---|---|---|
| | Total Quantity. Tons. | Average rate. Rs. | Total Quantity. Tons. | Average rate. Rs. | Total Qty. Tons. | Aver rat Rs |
| 1. Straits Settlements. | 142 | 489 | 76 | 381 | 105 | 354 |
| 2. Australia & New Zealand. | 210 | 477 | 139 | 549 | 163 | 533 |
| 3. Other countries. | 43 | 131 | 82 | 250 | 142 | 192 |

M E M O.

1. Is there a genuine consumers' demand for sandalwood greater than what is satisfied from the Mysore Government's resources? That is the question this memo investigates, and attempts to answer. If it be proved that there is a demand, and that that demand is met by both the genuine and imitation woods from outside the state, Government should take steps to secure this business from its competitors. Before we proceed to investigate the question, we beg to point out that whatever competition exists, and has existed during all these years, is not between the Mysore Sandalwood Oil Factories and the world's distillers of this oil; the competition is between the Mysore wood and those of Madras, Coorg and West Australia. This last quality of sandalwood, though not genuine, is included as a competitor as it is found to be a good substitute for the Mysore wood.

2. We shall first consider the demand in the United States of America. The policy of Government is to ship their sandalwood to this country, get it distilled there and sell the oil so distilled. This policy of shipping wood instead of the oil distilled in their factories in Mysore was adopted to avoid the barrier of the import duty of 25% levied on all imports of sandalwood oil, and commenced from about the year 1924. It proved highly beneficial to the state, the quantity of Mysore sandalwood oil sold in the U.S.A. having risen to over 70,000 pounds in 1928/29. But, from thence onwards, there has been a gradual and heavy fall in the quantity of Mysore sandalwood oil sold in that country. For instance, in the year 1931/32 (the year in which the world depression in trade was acute)

the quantity of oil sold by Bush & Company amounted to only 26,577 pounds as against 55,225 pounds in the previous year. This phenominal fall in sales is attributed by the Director (Mr. N.Rama Rao) and the Trade Commissioner to the acute depressed conditions prevailing in that year. This manner of explaining away the heavy loss in business, (vide their reports), is contradictory to facts, because the U.S.A. has imported during this year a fairly large tonnage of the East Indian sandalwood amounting to 185 long tons which ordinarily yield about 22,755 pounds of clean saleable oil. These figures prove conclusively that there was a genuine consumers' demand in that country in spite of the depressed conditions, and that that demand was not satisfied from out of Mysore's resources in sandalwood. The U.S.A. would have taken more than 185 tons of sandalwood in this year had there been any available. Consumers had therefore to be satisfied with the substitute article, the West Australian oil, which was imported to the extent of 10,000 pounds. So then, out of a total demand of 60,000 pounds of sandalwood oil, Bush & Company have secured for Government considerably less than half the business.

3. The demand today is at least as large as what it was in the year 1931/32, and is not being satisfied from Mysore's resources. In the year 1934, we know as a matter of fact that the consumption of the E.I.Sandalwood oil in this market was well over 50,000 pounds. If Government will only call for the sales lists for the years 1927/28 and 1928/29, and compare them with the lists of recent years, they will miss the names of some of the biggest buyers of the Mysore Sandalwood oil.. They have ceased to be on your lists certainly not because of their having ceased to

to buy any sandalwood oil. We venture to affirm in this manner from an up-to-date and correct knowledge of the conditions that prevail in the U.S.A. as advised by the foremost men in the essential oil line of business, and from whom we are receiving enquiries for more East Indian Sandalwood.

4. Indian conditions may also be considered. In this country, very large quantities of sandalwood as such are consumed for religious and other nondistillation purposes; but the quantity of Mysore wood entering into such consumption is disproportionately small considering Mysore's resources in sandalwood. The Madras, Coorg and Foreign woods are satisfying this demand. The reasons for this state of affairs are many, and cannot be gone into in a memo of this kind. We, however, wish to state that our efforts will also be directed to secure at favourable prices quite a big slice of this business too. In applying for the Mysore Government sandalwood, it is our desire in part to achieve this end. The large imports into India of sandalwood from West Australia and the Strait Settlements amounting to some hundreds of tons, prove conclusively that there exists a genuine consumers' demand for non-distillation purposes.

5. It will be seen from the enclosed cutting from the Times of India, dated 30th Jan. 35, Export and Import coloumns, that 212 bags of sandalwood ( apparently the genuine variety) were imported into Bombay for non-distillation purposes. The quantity is about ten tons; it may not be considered great, but yet it goes to prove that a genuine demand exists which is not satisfied by Mysore's resources in sandalwood.

6. In brief, we feel convinced that there is

# MAIL NEWS

M. M.=Mackinon Mackenzie.
T. M.=Turner Morrison and Co.
K. N.=Killick Nixon and Co.
Sc. S. N.=Scindia Steam Navigation Co.

## STEAMERS EXPECTED

MAIL LINE.

FROM LONDON:—Narkunda, Jan. 31.

OTHER STEAMERS.

FROM LONDON:—Durenda, Jan. 31; Bhutan, Feb. 2.
FROM LIVERPOOL:—Britannia, Feb. 4.
FROM RANGOON:—Stroviken, Feb. 3, Jalavihar, Feb. 5.
FROM CALCUTTA:—Jalavijaya, Feb. 1.
FROM KARACHI:—Varela, Feb. 2.
FROM BASRA:—Bankura, Jan. 31; Vasna, Feb. 2.
FROM HAMBURG:—Ockenfels, Feb. 1.
FROM SYDNEY:—Maloja, Feb. 2.
FROM MOULMEIN:—Golconda, Feb. 2.

## LINERS' SAILING DATES

MAIL LINE.

FOR LONDON:—Maloja, Feb. 2.

OTHER STEAMERS.

FOR LIVERPOOL:—Tarantia, Feb. 3.
FOR KARACHI:—Manyo Maru, Jan. 31; Ellora, Feb. 1; Varela, Feb. 4; Ockenfels, Feb. 8.
FOR CHINA AND JAPAN:—Toyama Maru, Feb. 1; Ibukisan Maru, Feb. 6; Bhutan, Feb. 3.
FOR BASRA:—Vita, Jan. 31; Bankura, Feb. 5; Vasna, Feb. 7.
FOR SYDNEY:—Narkunda, Jan. 31.
FOR CALCUTTA:—Chyebassa, Feb. 3.
FOR BANGKOK:—Graciosa, Feb. 4.
FOR DURBAN:—Tairea, Feb. 6.
FOR HAMBURG:—Frauenfels, Feb. 4.
FOR NEW YORK:—City of Guildford, Feb. 1.
FOR JEDDAH:—Alavi, Feb. 5; Khosru, Feb. 7.

## STEAMERS FIXED

MAIL LINE.

FOR LONDON:—Maloja, 12,791 tons, Capt. J. B. Browning.

OTHER STEAMERS.

FOR EUROPE PORTS:—Tarantia, 3,098 tons, Capt. J. B. Caithness; Kaisar-I-Hind, 6,014 tons, Capt. Cotching; Frauenfels, 4,679 tons, Capt. E. Hume; Mantua, 5,866 tons, Capt. J. M. [illegible].
FOR CHINA AND JAPAN PORTS:—[illegible]isan Maru, 4,057 tons, Capt. M. [illegible]hashi; Tango Maru, 4,238 tons, [illegible]tuchi; Toyama Maru, 4,385
RANGOON:—Birk, 2,178 tons, Ellingson.
JEDDAH AND RED SEA PORTS:—Alavi, 2,161 tons, Capt. J.
AMERICAN PORTS:—City of [illegible], 3,236 tons, Capt. A. S. [illegible] City of Salisbury, 3,779 tons, Capt. A. S. Philip.
FOR PERSIAN GULF PORTS:—Vita, 1,955 tons, Capt. Rankin.
FOR AFRICAN PORTS:—Tairea, 3,756 tons, Capt. W. H. Creese.
FOR AUSTRALIAN PORTS:—Gra[illegible]

cotton raw Kian Gwan and Co., 457 bags gum tragacanth D. Mavji and Co., 6,670 bags groundnuts K. Devchand and Co., 110 bales cotton raw T. M. Kaisha Ltd.

GYDNIA—Frauenfels—62 bales cotton raw G. K. Kaisha Ltd.

ANTWERP—Frauenfels—39 drums castor oil W. Latham and Co., 50 bales hemp M. Nissim, 2,000 bags groundnut oil cakes A. Oomerbhoy, 80 bags gum false and 100 bags gum African N. Moolji and Co.

ROTTERDAM—Frauenfels—55 bales cotton fly Indian Produce Export Co.

MALMO—Frauenfels—61 bales hemp M. Nissim.

HOUSTON—Frauenfels—75 bales jute rags R. T. Shah.

NEW YORK—Frauenfels—100 bales cotton waste G. M. Vyas and Co.

NEW YORK—City of Guildford—600 bags gum false N. Moolji and Co., 33 bales goat skins D. Abraham and Sons.

BOSTON—City of Guildford—35 bales goat skins D. Abraham and Sons.

YOKKAICHI—Ibukisan Maru — 100 bales cotton raw Ralli Bros.

KOBE—Ibukisan Maru—150 bales cotton raw Ralli Bros., 1,000 bales cotton raw A. Khimji and Co., 306 bales cotton raw G. Dosa and Co., 350 bales cotton raw Japan Cotton Tdg. Co., 300 bales cotton raw Amersey and Sons.

OSAKA—Ibukisan Maru—300 bales cotton raw Ralli Bros., 150 bales cotton raw Japan Cotton Trading Co., 200 bales cotton raw Volkart Bros.

OSAKA—Toyama Maru—1,800 bales cotton raw Ralli Bros., 700 bales cotton raw Volkart Bros., 500 bales cotton raw G. K. Kaisha Ltd.

NAGOYA—Toyama Maru—200 bales cotton raw Ralli Bros.

KOBE—Toyama Maru—2,450 bales cotton raw Ralli Bros., 100 bales cotton raw V. Ladha and Co., 300 bales cotton raw M. Amersey and Co., 400 bales cotton raw N. Manilal and Co., 100 bales cotton raw Japan Cotton Tdg. Co., 300 bales cotton raw Volkart Bros., 103 bales cotton raw Katak and Co., 53 bales cotton raw Langley and Co.

## IMPORTS

TOYA MARU—Agent O. S. Kaisha Ltd.

From Yokohama—23 cases yarn, 67 cases tea, 36 cases toys, 49 cases cotton satin, 37 cases silk yarn, 141 bales raw silk, 629 cases silk goods, 260 cases transmission conductors, 112 bdles. brassware, 193 bags chemicals, 398 cases rayon cotton mixed piecegoods.

From Tokyo—10 cases clocks, 20 cases gum powder, 30 cases toys, 25 cases cotton goods, 50 cases slates, 172 cases cotton shirting, 175 cases cotton yarn, 105 coils copper wire, 240 casks chemicals.

From Nagoya—1,275 bags sulphur, 110 cases tiles, 1,382 cases porcelainware, 44 cases clocks, 50 cases tea, 442 cases glassware, 85 cases cotton shirting.

From Osaka—275 bales copper wire, 50 cases rayon yarn, 1,120 bags fish manure, 100 bags starch, 100 bags soda ash, 60 drums coal pitch, 74 cases tiles, 85 cases art silk yarn, 50 cases spoken bells, 185 cases porcelainware, 60 cases bicycle parts, 272 bdles. brassware, 50 cases cotton jeans, 108 cases provisions, 15 cases rayon yarn, 15 cases stationery, 365 cases cotton shirting, 177 cases cotton yarn, 58 cases cotton piecegoods, 120 drums paint, 200 kgs. red lead, 1,319 cases glassware.

From Kobe—360 cases silk piecegoods, 190 cases tyres, 19 cases matting, 25 cases woollen piecegoods, 16 cases bicycle parts, 30 drums colour, 130 cases celluloid goods, 40 cases glassware, 30 cases toys, 71 bales cotton fents, 59 cases cotton shirting, 235 cases cotton and art silk mixed shirtings, 50 cases candy, 33 cases rayon yarn, 134 cases rayon piecegoods, 90 cases pipes, 371 cases cotton remnants, 150 cases rayon and cotton mixed piecegoods, 400 cases cotton piecegoods.

From Moji—225 pieces sanitaryware, 72 cases e'ware, 581 cases window-glass, 37 cases glass beads, 254 bags

# Bombay Metal Market

BOMBAY, January 30.
(From: "Devidayal & Sons", Kalbadevi Road, Bombay).

Copper sheets Germany Rs. 35 per cwt.
Copper sheets English Rs. 35 per cwt.
Brass sheets "Flag" Rs. 29-12 per cwt.
Brass sheets "Dittman" Rs. 29-12 per cwt.
Brass sheets "Muntzs" Rs. 29-12 per cwt.
Brass sheets 21oz. Rs. 30-8 per cwt.
Brass circles "Dittman" Rs. 35 per cwt.
Brass circles Japanese Rs. 37 per cwt.
Brass circles "Crousaur" Rs. 34 per cwt.
Copper circles Rs. 41 per cwt.
Tin ingots Rs. 58-4 per Surti maund.
Brass cuttings Rs. 20 per cwt.
Copper cuttings Rs. 25-12 per cwt.
Brass Utensils "Telephone" Brand:—
Top black Rs. 8-14 per Bombay maund.
Baseins Rs. 11 per Bombay maund.
Katori Rs. 10-10 per Bombay maund.
Top polished Rs. 10-10 per Bombay maund.
Tiffin carrier Rs. 12 per Bombay maund.
Daba, sada Rs. 11 per Bombay maund.
Khumcha That Rs. 10-2 per Bombay maund.
Glass Rs. 13-14 per Bombay maund.

## KARACHI MARKETS

### WEDNESDAY'S CLOSING RATES

FROM OUR OWN CORRESPONDENT.
KARACHI, January 30.

Today's closing quotations are:—

Wheat: Ready Rs. 23-14; March Rs. 24-1; July Rs. 24-4-9. Prices early ruled steadier and the rate for July touched the highest at Rs. 24-8-6, but later reacted and closed at the lowest rates owing to a generally favourable opinion about the progress of the crop after the recent widespread rain throughout Northern India. Today's arrivals from upcountry totalled 4,566 bags.

Gram: July Rs. 22-6.

Toriaseed: Feb. Rs. 42-1.

Cottonseed: March Rs. 21-11.

Cotton: Sind March Rs. 17-9; Punjab March Rs. 16-3-6; Desi American March Rs. 27-1-3. The opening tone was quiet, but prices later rose by 3 as. owing to higher Bombay advices. There was, however, a reaction again owing to poor export demand. Today's arrivals from upcountry totalled 11,563 bales.

## SUN, MOON AND TIDES

### BOMBAY TIMINGS

The following are the hours (Indian Standard Time) of heights of the tide in Bombay harbour during the ensuing week. Depth of water is at Apollo Bunder.

| Day of week | Day of month | HIGH WATER Indian Standard Time H.M. | Height Ft. | Day of month | LOW WATER Indian Standard Time H.M. | Height Ft. |
|---|---|---|---|---|---|---|
| FEB. | | | | | | |
| Fri. | 1 | 9 18 | 11.2 | 1 | 4 17 | 6.9 |
| | | 23 00 | 14.2 | | 15 54 | 2.0 |
| Sat. | 2 | 10 37 | 12.3 | 2 | 5 04 | 5.6 |
| | | 23 44 | 15.4 | | 16 45 | 2.2 |
| Sun. | 3 | 11 31 | 13.5 | 3 | 5 47 | 4.2 |
| | | — | — | | 17 31 | 0.7 |
| Mon. | 4 | 0 19 | 16.3 | 4 | 6 29 | 2.9 |
| | | 12 22 | 14.4 | | 18 22 | 0.5 |
| Tu. | 5 | 0 56 | 16.7 | 5 | 7 09 | 1.9 |
| | | 13 08 | 14.9 | | 19 04 | 0.8 |
| Wed. | 6 | 1 36 | 16.7 | 6 | 7 47 | 1.3 |
| | | 13 54 | 15.0 | | 19 49 | 1.6 |

S.D.A.C. 34-1

*Tel. Address:—"Sandal Bangalore"*

SANDALWOOD OIL FACTORY

Bangalore, 25th April, 1935.

No. 3738/2

26 APR. 1935 DEVELOPMENT BRANCH

4936

FROM S. Abdul Wajid Esq.,B.A.,
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

DIRECTOR, SANDALWOOD OIL FACTORY IN MYSORE,
BANGALORE.

To

The Secretary to the Government
of Mysore,
Development Department,
BANGALORE.

OFFICE OF THE FIRST MEMBER OF COUNCIL 26 APR 1935 No. 7384

For perusal.
First Member 26/4
by 29/4
27/4
29.4.
29/4

Sir,

Re: Export of Sandalwood - U.S.A.

I have the honour to state that in accordance with the suggestions made by the Development Secretary on the Secretariat file in the above - connection, the following cable was sent to the Trade Commissioner for Mysore in London on the 8th April 1935:-

"Please send detailed report on following points First full particulars of American distillers of Sandaloil Secondly sources from which they obtain Sandalwood Thirdly Australian Oil and wood imports into - America Fourthly prices relations of different oils and woods stop Do Bush recommend increased distillation of wood Do they favour sale of Mysore wood if not . state reasons."

Sd/ B.S.
25-5-35

The following cable is received from him today:-

"Yours eight Bush says would be suicidal for Govt sell wood Mysore oil now regularly demanded by all high class consumers also has hearty support leading dealers policy followed in America has succeeded in maintaining consumption while many other - essential oils have shown considerable falling off furthermore during 1934 importation Australian wood and oil into United States nil."

I also send enclosed for your information copy of extract from the Trade Commissioner's Air Mail letter dated 12th April 1935 on this subject. I shall submit a further report on hearing from him. I have stressed in my letter dated 16-4-1935, copy - attached, that what we want is not so much Messrs. Bush & Co's opinion but his own. The cable under reference

P.T.O.

does not fully deal with all the points raised in our cable of the 8th instant.

I have the honour to be,
Sir,
Your most obedient servant,

DIRECTOR.

53

Extract of letter dated 12th March 1935 from the Trade Commissioner for Mysore in London to the Director, Sandalwood Oil Factory, Bangalore.

MOROCCO.

A French firm doing business in Morocco is anxious to sell Sandalwood in that country. As it would seem from your cablegram regarding America, to which I shall refer later, that Government are not averse to selling Sandalwood, I shall be glad to know the conditions under which Government are prepared to export Sandalwood to Morocco. I have informed the firm that if guarantees are given that the wood is not used for distillation, it would be possible to export Sandalwood to Morocco. Kindly let me have your views.

YOUR CABLEGRAM OF 8TH MARCH.

The information required by you in regard to America will be supplied on receipt of reports from Messrs. W.J. Bush & Co. I do not quite understand the reference to the sale of wood. Of course, everybody would be delighted if we sell wood. I may state that Messrs. Bush & Co. were anxious to buy wood on their own account, but I definitely stated that the question of selling wood would not be considered by Government at all. However, I will go into this matter after receipt of a reply from our Agents. Perhaps I may expect to hear from you in explanation of this cablegram in your letters in due course.

**********

Hc. Ramiengar
for Director,
Sandalwood Oil Factory.

25/4/35.

54

Letter dated 16th April 1935 from the Director, Sandal Oil Factory, Bangalore to the Trade Commissioner for Mysore in London.

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I invite your kind reference to my cable dated the 8th April 1935 requesting for a detailed report on the several points connected with the distillation of Sandalwood, sales of oil etc., in the U.S.A.

I note that you have cabled to Messrs. Bush & Co. in the matter.

I request you to kindly give me your views on the last two points viz., the increase in the distillation in the U.S.A. and the sale of Mysore wood.

********

'COPY'

H.K. Ramiengar
/ Director,
Sandalwood Oil Factory.
25-4-35

GOVERNMENT OF MYSORE

4096
4936

S. Abdul Wajid Esq., B.A.,
SANDALWOOD OIL FACTORY

ADDRESS FOR TELEGRAMS:
SANDAL
BANGALORE
CODE USED: "BENTLEY'S"

Bangalore, 30th April, 1935.

No. 3775
Enc. 1 Rep. file

Dear Mr. Venkatanaranappa,

I am sending herewith the D.O. File relating to the supply of Sandalwood to Messrs. G.P. Rama Rao & Co., as desired by you on the phone.

Yours sincerely,

Abdul Wajid

GEN. & KEY SECTT. APRIL
30 APR. 1935
DEVELOPMENT BRANCH

M. Venkatanaranappa Esq., B.A.,
Secretary to the Government
of Mysore,
Development Department,
BANGALORE.

Asst. Secy
Instructions:-
Kept this by the
receipt of further
report from Wdr -
Secy B Lib
15-5-35.
KB. 1-5-35

GEN. & KEY. SECRETARIAT
1 - MAY 1935
DEVELOPMENT BRANCH

S.O.F. 81-34-2

Tel. Address:—"Sandal Bangalore"

SANDALWOOD OIL FACTORY

Bangalore, 15th May, 1935.

No. 391/2

5415

FROM S. Abdul Wajid Esq., B.A.,

DIRECTOR, SANDALWOOD OIL FACTORY IN MYSORE,

BANGALORE.

SECL. & REV. SECRETARIAT
16 MAY 1935
DEVELOPMENT BRANCH

The Secretary to the Government of Mysore,
Development Department, Bangalore.

Sir,

Re Sale of Sandalwood to Messrs. G.P. Rama Rao & Co., for export purposes.

In continuation of my letter No.3738 dated the 25th April, 1935, I have the honour to forward herewith copy of Trade Commissioner's Air Mail letter dated 23rd April 1935, and also a copy of an extract from his Air Mail letter dated 29th April, 1935. The Trade Commissioner's opinion in regard to the increase in the distillation in the U.S.A. and the sale of Mysore wood is awaited.

I invite your kind reference to the enclosure to my letter No.3738/25.4.35., wherein the Trade Commissioner has said that Messrs. Bush & Co., were anxious about purchasing our wood but that he did not allow it. But the same Messrs. Bush & Co., say now that it will be suicidal for Government to sell wood, ~~now~~. If the demand could have been met by the oil distilled by Messrs. Bush & Co., where is the necessity for any one to buy the wood in America. They do not use the wood for any ceremonial purposes except for distillation. The Assistant Director's note dated the 23rd February 1935, submitted to Government with my predecessor's letter No.3167 dated the 25th February 1935, clearly shows that against the total quantity of 541 tons exported during the year 1931-32, we have contributed only to the extent of 345 tons, the balance being made up by exports from other sources.

The system in the United States is that such transactions

are put through Jobbers who form a sort of a ring, the position of the jobbers being somewhat similar to that of the Syndicate in Japan as we know without whom no business can be transacted there. We have given up this system. The sales were the largest when the oil was sold only through jobbers. I doubt if things will improve unless we revert to this system.

The method of distillation adopted by Messrs. Bush & Co is the pressure distillation which deteriorates quality and which we had to give up last June. This method is not in vogue either in England or on the Continent. The perfumers want oil which is rich in the natural aroma of the Sandalwood. It is chiefly to meet this demand of the fastidious, I think that the wood is imported into America.

I am of opinion that this experiment of selling wood to Messrs. Rama Rao & Co., should be tried. We cannot know the effect on the American market without this trial. We want the revenue from our wood and it is immaterial whether we get it by the sale of the oil or the wood in America. There would have been no such trouble if the quality of the oil was good. Let other distillers have a chance too. Anyway let our wood take the place of the wood that is imported from other sources.

I have the honour to be,

S i r,

Your most obedient servant,

Abdul Hamid.

D i r e c t o r.

57

Copy of Air Mail letter dated 23rd April, 1935, from the Trade Commissioner for Mysore in London, to the Director, Sandalwood Oil Factory in Mysore, Bangalore.

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Referring to your Cablegram of the 8th April, I give below copy of a reply cablegram received from the Managing Director of Messrs. W.J. Bush & Co., Ltd., our Agents in New York.

"Reference confidential letter eleventh personally believe it would be suicidal plan for Government sell wood stop Mysore Oil is now regularly demanded by all high class consumers and also has the hearty support of leading dealers stop the policy followed in America has succeeded in maintaining consumption while many other essential oils have shown considerable falling off stop furthermore during 1934 importation of Australian wood and oil into United States nil writing. WEBB."

I fully agree with the views contained in the cable.

I have conveyed this information to you by cable to-day.

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for Director,
Sandalwood Oil Factory.

59

Extract of letter dated 29th April 1935, from the Trade Commissioner for Mysore in London, to the Director, Sandalwood Oil Factory, Bangalore.

---

Your letter 3629 df 16th April. I have sent you a copy of Messrs. Bush's cable in reply to your cable of the 8th inst. I agree with the view of our agents. In regard to the two points dealt with by you in your letter, I shall write to you in detail after getting Messrs. Bush's lettef, which this firm has promised to send.

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M.K. Ramiengar
Director,
Sandalwood Oil Factory. 15/5

S.O.7.81-34-3

Tel. Address:—"Sandal Bangalore"

60

SANDALWOOD OIL FACTORY

Bangalore, 27th May, 1935.

No. 4034/2

554 29 MAY 1935 DEVELOPMENT BRANCH

FROM S. Abdul Wajid Esq., B.A.,
DIRECTOR, SANDALWOOD OIL FACTORY IN MYSORE,
BANGALORE.

To

The Secretary to the Government of Mysore,
Development Department, Bangalore.

S i r,

Re: Sale of Sandalwood to
Messrs. G.R. Rama Rao & Co.

In continuation of my letter No.3911 dated 15th May, 1935, I have the honour to forward herewith copy of an extract from the Trade Commissioner's Air Mail letter dated 17th May, 1935, wherein he has reported about the sales in Canada and the United States as not being quite satisfactory. I also send enclosed copy of another extract from the same letter wherein he has expressed the desirability of an opening for the sale of wood in America for purposes other than for distillation.

I have the honour to be,

S i r,

Your most obedient servant,

S. Abdul Wajid.

Director.

Extract from Trade Commissioner's letter dated 17th.May, 1935, to the Director, Sandalwood Oil Factory in Mysore, Bangalore.

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The sales in Canada and the United States are not quite satisfactory so far. I am expecting to see Mr. Webb in London next month and I shall go into the matter with him then. In the meanwhile I have written to our agents, both in Montreal and New York.

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for Director,
Sandalwood Oil Factory.

62

Extract from Trade Commissioner's letter dated 17th May, 1935, to the Director, Sandalwood Oil Factory in Mysore, Bangalore.

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Sale of Wood. In my letter of the 14th I have requested you to kindly let me have the views of Government in regard to the sale of Sandalwood in America. It seems desirable to take advantage of any opening for the sale of wood other than for distillation purposes.

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J.K. Srinivasaya
Director,
Sandalwood Oil Factory
27.5.35

S.O.F. 81-34-4.

Tel. Address:—"Sandal Bangalore"

SANDALWOOD OIL FACTORY

Bangalore, 6th June, 1935.

No. 4201/1

FROM S. ABDUL WAJID ESQ., B.A.,

DIRECTOR, SANDALWOOD OIL FACTORY IN MYSORE,
BANGALORE.

- 8 JUNE 1935
DEVELOPMENT BRANCH.

To

The Secretary to the Government of Mysore,
Development Department, Bangalore.

S i r,.

Re: Supply of Sandalwood for export purposes.

In continuation of my letter No.4034 dated 27th May, 1935, I have the honour to forward herewith copy of Trade Commissioner's Air Mail letter dated 27th May, 1935, wherein he has expressed his opinion about our selling Sandalwood.

From the reports of export of Sandalwood it is clear that the wood is being imported into America latterly. The total quantity of Sandalwood imported into the United States for July '34 to February '35 is 278 tons of which our contribution is 200 tons. I cannot say how Mr. Webb says that there have been no imports into United States in 1934. The Trade Commissioner himself admits in his letter of 27-5-35 (Encl) that our oil that is distilled in America is bad. Messrs. Bush & Co., are adopting the Pressure distillation method and the inferiority of the quality must be due to that. They should either improve the quality or give up the business. I am, therefore, of opinion that we may as an experimental measure sell wood for export purposes to give a chance to the other distillers for distilling our wood.

I have the honour to be,

S i r,

Your most obedient servant,

Abdul Wajid.

Director.

MG/

Copy of Trade Commissioner's Air Mail letter dated 27th May, 1935, to the Director, Sandalwood Oil Factory, Bangalore.

---

Sale of Sandalwood.

I have received your letter No.3918 of the 16th May and note that you have no idea of giving up Sandalwood distillation and that what you propose to do is to sell wood to those firms who do not buy the oil from Messrs. Bush & Co.

I have no doubt you are aware that most of the industrial plants in America are working much below normal capacity. If any firm got Mysore Sandalwood for distillation, all the other firms would want it also, not only because it would help them to keep their plants at work, but also they would be able to claim the oil distilled by them as superior to that of others.

If once you started selling wood you would soon find that nobody would want your oil, particularly in the present industrial situation in America. It is for that reason that Mr. Webb states that any contemplated sale of wood would indeed be a tremendous backward step so far as our American business is concerned.

I think a further attempt to enlarge your market for oil by selling wood would result in losing the market for the oil you have now got. Nobody would be wanting your oil, and as our oil is by no means as good as what European distillers can make if they had the wood, we would get a bad reputation for our oil into the bargain.

Referring to the third paragraph of your letter, asking for my considered opinion about the increased distillation of the wood in U.S.A. I have to state that there is no increased distillation. Mr. Webb has gone into the matter carefully and states that all the Sandalwood imported in 1934 was on account of his own firm and from Government. No other Sandalwood was imported at all.

I may state that I have heard from the Commercial Attache to the United States in London that no Sandalwood was imported into America at all, and particulars of the Sandalwood Oil imported are given below:-

| | lbs. | £ |
|---|---|---|
| From France | 218 | 1262 |
| " Germany | 1548 | 7934 |
| " U.K. | 550 | 1866 |
| " Canada | 448 | 1450 |
| | 2764 | 12512 |

There is, therefore, no question of increased distillation of wood. Whatever distillation there is, is of Government wood and at Linden by W.J. Bush & Co.

The only country where wood can safely be sold is a country like Morocco, where it is not used for distillation.

---

H.K. Ramiengar
Director,
Sandalwood Oil Factory.

Tel. Address :—"Sandal Bangalore"

Camp/16

SANDALWOOD OIL FACTORY

Bangalore, 13th June 1935.
Camp - Mysore. 13

No. C3.S.O.F.34-35
Encl. One.

D. 5864 D.

FROM

S. ABDUL WAJID, ESQ., B.A.,
XXXXXXXXXXXXXXXXXXXXX.,

DIRECTOR, SANDALWOOD OIL FACTORY IN MYSORE,
Camp - Mysore. ~~BANGALORE.~~

To

M. VENKATANARANAPPA, ESQ., B.A.,
Secretary to the Government of Mysore,
Development Department,
Camp - Mysore.

Sir,

Re. Supply of Sandalwood for export business.

*****

5589

In continuation of my letter No.4034 dated the 27th May 1935, I have the honour to forward herewith a copy of Trade Commissioner's Air Mail Letter dated the 27th May 1935 wherein he has expressed his opinion about our selling Sandalwood.

The total quantity of sandalwood imported into the United States from July 1934 to February 1935 is 278 tons of which our contribution is 200 tons. I cannot say how Mr.Webb says that there have been no imports in 1934. Large quantities have been exported recently by Messrs.Sorabji & Co.

Messrs. Bush & Co., are adopting the Pressure Distillation method - a method which we have abandoned and the inferiority of the quality must be due to that. I am addressing the Trade Commissioner to take up this matter with our Distillers in America.

I am therefore of opinion that, we may as an experimental measure sell wood for export purposes to give a chance to the other distillers for distilling our wood. I have every hope that this will lead to better business in America.

I have the honour to be,
Sir,
Your most obedient servant,

Abdul Wajid

DIRECTOR.

Subd for perusal. The main file has been Subd separately (D.5777)
15.6.35.

For orders.
Dev Secy
26/6

BV2)

Cppy of Air Mail Letter dated the 27th May 1935 from the Trade Commissioner for Mysore in London, to the Director of Industries and Commerce in Mysore, Bangalore.

---

Sale of Sandalwood.

---

I have received your letter No.3918 of the 16th May 1935 and note that you have no idea of giving up Sandalwood Distilla -tion and that what you propose to do is to sell wood to those firms who do not buy the oil from Messrs.Bush & Co.,

I have no doubt you are aware that most of the Industrial plants in America are working much below normal capacity. If any firm got Mysore Sandalwood for distillation, all the other firms would want it also, not only because it would help them to keep their plants at work, but also they would be able to claim the oil distilled by them as superior to that of others

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I think a further attempt to enlarge your market for oil by selling wood would result in losing the market for the oil you have now got. Nobody would be wanting your oil, and as our oil is by no means as good as what European distillers can make if they had the wood, we would get a bad reputation for our oil into the bargain.

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| | lbs. | $ |
|---|---|---|
| From France | 218 | 1262 |
| " Germany | 1548 | 7934 |
| " U.K. | 550 | 1866 |
| " Canada | 448 | 1450 |
| | 2764 | 12512 |

There is,therefore, no question of increased distillation of wood. Whatever distillation there is, is of Government wood and at Linden by W.J,Bush & Co.

The only country where wood can safely be sold is a country like Morocco, where it is not used for distillation.

---

(COPY)

DIRECTOR.

BV13-6-35

S.O.7.81-34-5

Tel. Address:—"Sandal Bangalore"

SANDALWOOD OIL FACTORY

Bangalore, 21st June, 1935.

No. 4354/1

FROM S. ABDUL WAJID ESQ., B.A.,
DIRECTOR, SANDALWOOD OIL FACTORY IN MYSORE,
BANGALORE.

RECEIVED 25 JUNE 1935 DEVELOPMENT BRANCH.

To

The Secretary to the Government of Mysore,
Development Department, Bangalore.

S i r,

5777

Re: Supply of Sandalwood for export purposes.

I have the honour to forward herewith for the information of Government, copy of Trade Commissioner's Air Mail letter dated the 31st May, 1935, furnishing his opinion about the export of Sandalwood into America, with my remarks in the margin.

I have the honour to be,
Sir,
Your most obedient servant,

Director.

Sent for perusal, in continuation of this letter of 13th June 1935. The main file has been sent separately (D.S. 5777). Dev Secy 18.7.35.

MG/ The Tr. Com^r considers that it would be a fatal mistake to export sandalwood for sale to America since by following this course we would be losing the benefit of the import duty on sandalwood oil which we are enjoying now by distilling oil in America. Dev Secy 3/7

DEVELOPMENT SECRETARY, 24 4/7/35 TO GOVERNMENT OF MYSORE.

Copy of letter dated 31st March 1935, from the Trade Commissioner for Mysore in London, to the Director, Sandalwood Oil Factory, Bangalore.

---

Sale of Sandalwood.

Since writing my letter of the 27th May, I have received a further letter on the subject from the Managing Director of W.J. Bush & Co., New York, an extract of which I give below:

"Replying to your letter of the 1st inst. I would point out that the firm of George Lueders advertise that they have East Indian Oil of their own distillation; nevertheless no wood has come in except for our account, so that if they are offering oil of their own distillation it must have been distilled some years ago.

For your confidential information, I have reason to know that they have bought Mysore Oil recently from Fritzsche Bros and Ungerer & Co and the presumption is, therefore, that they do their own blending.

But the Times of India has given figures of export by Messrs. Sorabji.

Since writing you last I have heard from our shipping brokers, Locurto & Funk, that about 2 tons of wood has just come in for Dodge & Olcott: as this quantity is so small it may be ignored".

I had written to Mr. Webb that when I was in America, George Leuders was known to distil wood and was offering Sandalwood Oil of his own distillation. As no Sandalwood, which is separately registered in the American Customs accounts, is shown to have been received, Mr. Webb surmises that Leuders is blending oil, a part of which he buys from us, and terms it his own distillation.

As you will see, there has since been a small import of two tons of wood on account of Dodge & Olcott. The latter is a well known firm of high reputation.

I may perhaps advert to one aspect of the sale of wood in America, to which I made no reference in my letter of the 27th inst. If our wood is sold for distillation to other firms, it will immediately cause them and their rivals to obtain further supplies from either Coorg or Madras. Once we start the export of wood to America for sale, a way will be shown to our competitive producers of wood to do the same. As you know, there is a duty of 25% on the import of oil. This works as a protection to us, who have distillation works in America, and prevents the oil distilled in India from competing with us in that country.

But the supply of the competing wood is not unlimited.

There is a belief that Mysore Sandalwood is of a superior grade and that no other wood produced in India is of the same quality. As you know, this is not quite true. The wood produced in Coorg is in every way equal to that produced in the best parts of Mysore. Once we start to sell our wood to others, and firms in America get Indian wood, the benefit of the import duty which we are now deriving will be completely lost to us. The price of wood will be forced down by competition.

The American market absorbs between 45,000 to 50,000 lbs of oil a year. Last year we delivered 53,131 lbs of which 24,800 lbs were purchased by Colgate. This year, up to the 11th May, we have delivered only 36,155 lbs of which 10,800 lbswere delivered to Colgate. The sales this year to firms other than Colgate are higher than last year. I am informed that Colgate over-bought last year and have naturally had to reduce their purchases this year. The total consumption of America about 45,000 lbs can easily be supplied from wood other than ours.

It seems to me a fatal mistake to export wood for sale to America as this is bound to lead to the export by other producers of wood, bring down the price of wood and oil and deprive us of the benefit of the import duty which we now enjoy by our distillation, through our Agents, in that country.

Director,
Sandalwood Oil Industry

D.279

8th August 1935.xx

Immediate.

Dear Mr. Wajid,

With reference to correspondence ending with your letter No.4354 dated the 24th June 1935 regarding the sale of sandalwood to Messrs. G.P. Rama Rao and Co., for export purposes, I am desired to request you kindly to arrange to bring this question for consideration at an urgent meeting of the Sandal Oil Board, if possible, on Saturday the 10th August 1935 at 4.30 P.M.

Yours sincerely,

MW.

S. Abdul Wajid, Esq., B.A.,
Director of Sandalwood Oil Factory in Mysore,
Bangalore.

GOVERNMENT OF MYSORE 71) 813.

SANDALWOOD OIL FACTORY

ADDRESS FOR TELEGI
SANDAL
BANGALORE
CODE USED: "BENTLEY'S"

Bangalore, 16th August 1935.
17.

No. 554
Enc. 1

19 AUG. 1935

My Dear Sir,

I enclose herewith copy of the proceedings of the 37th meeting of the Sandalwood Oil Board held on Saturday the 10th August, 1935, at 4.30 P.M., in the chamber of the First Member of Council.

Yours sincerely,

Rajamantrapravina Diwan Bahadur
K. Matthan Esq., B.A.,
First Member of Council,
Bangalore.

Proceedings of the 37th meeting of the Sandalwood Oil Board held on Saturday the 10th August, 1935, at 4.30 P.M., in the Chamber of the First Member of Council, Public Offices, Bangalore.

---

Present:-

1. Rajamantrapravina Diwan Bahadur
   K. Matthan Esq., B.A.,
   First Member of Council. (Chairman)

2. A.N. Raghavachar Esq., M.A.,
   Financial Secretary to Government,
   Banggalore.

3. M. Venkatanaranappa Esq., B.A.,
   Secretary to Government, Development Department.

4. B.V. Ramaiengar Esq., B.A.,
   Chief Conservator of Forests in Mysore,
   Bangalore.

5. S. Abdul Wajid Esq., B.A.,
   Director of Sandalwood Oil Factory in Mysore.

---

1. The proceedings of the previous meeting were read and recorded.

2. The offer of Messrs. G.P. Rama Rao and Co., for the purchase of Sandalwood was placed before the Board. The firm had received information that there was a market for Sandalwood Oil in America outside the supplies made by Messrs. Bush & Co., and they were anxious to buy Mysore wood to cater for this market.

The question was discussed in all its aspects and the Board were of opinion that the information furnished by Messrs. Rama Rao and Co., on the one side and Messrs. Bush & Co., and the Trade Commissioner for Mysore in London on the other were not sufficient to obtain a correct picture of the situation in the American market. The Board were of opinion that if there were no large demand which is not met at present, the sale of wood would compete with our own oil and would seriously affect the interests of the market. But in the absence of complete information and the uncertainty, the Board, the Chief Conservator of Forests dissenting, felt that there might not be much harm if, in order to test the market, a small consignment was sold at a price which would not compete with our oil at its

present selling rate.

As regards the question whether the agreement with Messrs. Bush and Co., precluded such a sale, the Board were of opinion that according to the strict letter of the agreement the Government were free to sell wood but it was decided that the Law Department might be consulted.

Should, however, the sale indirectly affect the market built up by Messrs. Bush and Co., the Board thought that it would certainly affect to some extent the present relations between the Government and their Agents. In this view, the Board considered that the interests of Government might best be served by their acquainting the Agents with the facts which have come to their knowledge and giving the agents an opportunity to expand the sale. Should they fail, it would then be open to Government to sell the wood to outside parties.

The Board next considered the quantity and the rate that may be proposed, should Government decide to sell wood at present to Messrs. Rama Rao and Co. After a careful review of all information available, the Board were of opinion that a small consignment of not more than 50 tons may be sold at a rate not more than Rs 950/- a ton cash against delivery at the Koti.

(Id). K. M. [illegible],

CHAIRMAN.

"Copy"

*Director,*

*Sandalwood Oil Factory.*

L 2256/1935

Jh

The Director, S.O.S.

Dear Sir,

With reference to the Resolution passed by the S.O Board at its meeting on the 10th August 1935 regarding ~~the offer~~ the offer of Messrs G.P. for purchase of S. wood Ranne Res. Res. I am desired to enclose herewith a draft of a letter to the T.C. in the matter with a request for issue of the same over your signature, and to be forwarded with the ~~reports~~ of the T.C. at the meeting together with your remarks thereon.

Yours faithfully,

Secretary

1.11.35

for Sir N. Vellodi

for enclosure

Secretary

GENERAL AND REVENUE SECRETARIAT

'D. O. No. / S.O-F. 81-34. Dated, Bangalore, ~~10th~~ September 1935.

A 2256/6

Dear Sir,

With reference to the Resolution passed by the Sandal Oil Board at ~~the~~ its meeting on the 10th August 1935 regarding the offer of Messrs. G.P.Rama Rao and Co. I am desired to enclose herewith a draft of a letter to the Trade Commissioner in the matter with a request for issue ~~of~~ the same over your signature, and to be favoured with the report of the Trade Commissioner in the matter when received together with your remarks thereon.

Yours sincerely,

(Sd) H. Venkatasamy

S.Abdul Wajid, Esq., B.A.,
Director, Sandalwood Oil Factory,
Bangalore

Co. 1

No...

Dated, Bangalore, th Septr. 1935.

To

The Trade Commissioner for Mysore in
London, Trafalgar Square,
London.

Dear Sir,

I invite reference to Mr. C. Ranganatha Rao Saheb's Air Mail letter No. ——— dated the 27th May 1935 to me in which he has reported that Mr. Webb has stated that no sandalwood came into U.S.A. in 1934 except on ~~his~~ account and the whole quantity imported was from Mysore Government, no other wood having been imported into America at all. He, however, refers in his letter Dated 31.5.35 to a small quantity of two tons of wood which was subsequently imported by Messrs. Dodge & Olcott, which he said, might be ignored on account of smallness of the quantity.

Again in his Administration report for the year ending 30th June 1935, Mr. Rao Saheb has, after a review of two years' ~~experience~~ export figures, come to the conclusion that no appreciable quantities of sandalwood outside Mysore is being exported to America. Unfortunately, however, the real position ~~is~~ seems otherwise. From the monthly accounts of the Sea-borne trade published by the Government of India, it is seen that regular consignments of ~~outside~~ non-Mysore wood ~~is~~ are being despatched to America and in some months, the despatches have been as heavy as 25 ~~tons~~ 250. Even in the month of July 1935, 11 tons have been despatched. From the

the statement attached, it is obvious that considerable quantities of sandalwood are entering America outside the imports on account of Messrs. Bush and Co., from Mysore, all of which is presumably being distilled into oil in the United States of America. It is also evident that the entire demand for oil in the U.S.A., is not being met by Messrs. Bush and Co. and that they have to be much more vigilant in order to protect the mutual interests of the Government of Mysore and the Agents. I may also atate that the Mysore Government have other evidence of this demand in America ~~which is not at present being met by Messrs. Bush and Co.~~ in that they have received offers for the purchase of two to three hundred tons of sandalwood which they understand is on account of some well-known distillers.

I shall therefore be glad if you will kindly bring these facts to the notice of Messrs. Bush and Co. and request them to make a thorough study of the market, the imports and its ultimate ~~disposal~~ disposal and take all possible action to increase the sale of Mysore oil. Government would be glad to have a detailed report from them.

This leads me on to another important point and that is ~~that~~ clause 10 of Distilling Agreement; Messrs. Bush and Co., have undertaken to submit from time to time correct and authoritative market reports of sandalwood oil to us; no such reports are being received now. May I suggest your arranging to obtain these reports

reports regularly in future, a copy of it being forwarded at the same time to me also?

Yours faithfully,

DIRECTOR,
Sandalwood Oil Factory.

7.9.1935.

77

Particulars of Sandalwood Exports from India to United States of America during each month from March 1934 with the Factory quota.

| | Exports of Sandalwood as per Sea Borne Trade Statistics. | Factory Quota. |
|---|---|---|
| March 1934 | 100 tons | 50 tons |
| April 1934 | 55 ,, | 50 ,, |
| May 1934 | - | 50 ,, |
| June 1934 | 55 ,, | 50 ,, |
| July 1934 | 50 ,, | 25 ,, |
| August 1934 | 20 ,, | 25 ,, |
| September 1934 | 50 ,, | 25 ,, |
| October 1934 | 33 ,, | 25 ,, |
| November 1934 | 25 ,, | - |
| December 1934 | - | 50 ,, |
| January 1935 | 50 ,, | 50 ,, |
| February 1935 | 50 ,, | 24 ,, |
| March 1935 | 24 ,, | 5 ,, |
| April 1935 | 5 ,, | 7 ,, |
| May 1935 | 7 ,, | - |
| June 1935 | - | - |
| July 1935 | 61 ,, | 50 ,, |

813
2679

2787

GOVERNMENT OF MYSORE

ADDRESS FOR TELEGRAMS:
SANDAL
BANGALORE
CODE USED: "BENTLEY'S"

SANDALWOOD OIL FACTORY

Bangalore, 9th December 1935.

No. 1673
Enc.

SECRETARIAT
S.O.7
10/12

DEVELOPMENT

S.O.7.31-3/4-8

My dear Mr. Venkatanaranappa,

I enclose as desired, copy of Messrs. Bush's letter dated the 29th October, 1935, to the Trade Commissioner in reply to the letter we had asked the Trade Commissioner to send to them. You would notice that Messrs. Bush & Co., have not met all the points raised in our letter. I am expecting a reference on it from the Trade Commissioner.

Yours sincerely,

M. Venkatanaranappa Esq., B.A.,
Secretary to Government,
Development Department,
Bangalore.

Subject for personal write refree. to
MG) Z Letter No. 22.S.6 of 1.12.35
14-11-12-35.

Dear Secy,
Kindly see the letter from the Trade Commissioner in London regarding the export of sandalwood oil to U.S.A. and let us know what action is to be taken in the matter.
Yours sincerely,
11/12/35

3827
11/12

A. The information available regarding the export of sandalwood oil to U.S.A. may be seen from the T. Cly Dr S.O.7

B. May be available.
C. For personal.
Secretary

12.12.35
14/12/35 14.12.35

OFFICE OF THE
SECOND MEMBER OF COUNCIL.
13 DEC. 1935
No. 4607

C O P Y.

Confidential D.O. letter dated 29th October, 1935, from Mr. Webb of Messrs. W.J. Bush & Co., New York, to Mr. T.V.A. Isvaran, Trade Commissioner for Mysore in London.

---

I have carefully read your confidential letter of 16th inst. with special reference to importations of non-Mysore Wood. I would assure you I am very alive to the need for constant vigilance; I am having this position checked up again. I have been relying upon our import agents, Lo Curto & Funk, but am also seeing whether we can get some information from other sources as well.

It is not difficult to obtain correct information in regard to importations of Sandalwood Oil as this is dutiable and statistical information is kept by the Federal Government in regard to materials subject to duty: but unfortunately, this is not the case with Sandalwood, being on the free list permanent records are not maintained. It is therefore, possible that more wood has been imported into the U.S. than what Lo Curto & Funk have reported to me (of which you were duly advised); but it does seem rather difficult to understand how so much more wood was imported last year, because I feel the pressure of U.S.P. competition would surely have become greater than usual.

It is helpful for me to get information from your end as without it, it is increasingly difficult for us to guage the strength of the competition. From experience we have so often found that the competition of poor quality U.S.P. Oil is often of "nuisance value". For example, buyers will endeavour to hold U.S.P. as a club to endeavour to get lower prices for Mysore Oil, although not really being prepared to buy the low grade material. We also have to remember that Mysore Oil establishes the market in every sense of the word, and it is very easy to understand that a competing quality can only find any acceptance at all provided it is offered at a price below the market for Mysore Oil. You will, therefore, appreciate it is of considerable assistance if you can supply us with information from your end such as indicated in your letter, which you have not supplied us with hitherto.

Important users from whom we have not been able to secure regular business are, Los Angeles Soap Co., Andrew Jergens & Co., Abbot Laboratories and Burrough Bros. The last two named firms we get their business for their best quality capsules; for their cheap business they admit they use U.S.P. Oil.

Rather than resort to price cutting we have been following a policy of supporting certain reliable dealers - particularly Ungerer & Co. and Fritzsche Bros - and these friends are in a position to meet U.S.P. competition.

If we are able to substantiate this statistical information supplied by you, we must be prepared for increased pressure on the part of U.S.P. Oil, as it should mean that there is likely to be a considerable quantity of Oil in the hands of Georg Luedders and Dodge & Olcott Co: and in our opinion these two firms are not financially strong enough to be in a position to hold important stocks for any long period.

I will write you further when I have received the checked up on importations, and when I have had an opportunity to make some discreet inquiries for more information as to what the other two concerns are doing.

In regard to Government being approached for the supply of 200 or 300 tons of wood, that is a usual trick of American distillers, who think by talking important quantities they are likely to get special consideration.

With reference to the last paragraph of your letter I have considered that the contents of many of my letters to the Trade Commissioner have been in the nature of market reports; copies are also mailed to the Director. I would point out that whenever the competition of U.S.P. Oil has been more than normally severe, I have made it known to the Commissioner promptly. In former letters, I have also giv particulars of competitors.

---

P.S.- Our salesmen are, of course regularly canvassing these concerns, but they buy solely on prices and so long as U.S.P- Oil is available below Mysore Price they take it.

---

K Sathacharya M.Sc

*Director,*
*Sandalwood Oil Factory.*

502"

11/12

GOVERNMENT OF MYSORE

2760

63

ADDRESS FOR TELEGRAMS: SANDAL BANGALORE

CODE USED: "BENTLEY'S"

SANDALWOOD OIL FACTORY

Bangalore, 11th December 1935.

No. 1693
Enc.

My dear Mr. Venkatanaranappa,

As desired by you on the 'phone on the 9th instant, I note below the details of Sandalwood consignments sent to America from April 1935 onwards:

| Railed. | B/L date. | Shipping. Tons. | Steamer |
|---|---|---|---|
| 13. 7.35 | 19- 7-35 | 50-19- 2- 4 | City of Cairo |
| 23. 8.35 | 7- 9-35 | 51- 1- 8- 3 | City of Sydney |
| 17. 9.35 | 23- 9-35 | 51- 0- 1-19 | City of Corinth |
| 7.11.35 | 13-11-35 | 102- 3- 3-12 | City of Evansville. |

N.B. No consignments of Sandalwood were sent to New York by the Factory during April, May and June 1935.

OFFICE OF THE SECOND MEMBER OF COUNCIL
12 DEC. 1935
No. 4548

Yours sincerely,

M. Venkatanaranappa Esq., B.A.,
Secretary to Government,
Development Department,
Bangalore.

DEWAN'S OFFICE
13 DEC. 1935
No. 3909

MG)

During the period of seven months April to October 1935, 224 tons have been exported from India to America. Of this, 153 tons are from the Mysore factory whereas 71 tons from other exporters. The average is about 10 tons a month.

Second Member
Dewan

14-12-35 MV. 16-12.

MV. 13/12/35 11.12.35 16.12

Appendix F G—1]

SUBJECT.....

.....

.....

Section S.O.F.

File No. 84-34.

Serial No. 9/1

*Diary No. of letter replied to*.....

No. D. 3928

To

The Director, S.D.F.

Dear Sir,

With refee to your letter no. Do 1673 D 9.12.93 forwarding copy of letter D 29th Oct. 1935 from messrs Rusk & Co. to the T.C. wherein it is stated that it would be of considerable assistance if the firm is supplied with information relating to imported sandalwood with America. I am desired to request you to be so good as to arrange with the T.C. to furnish the firm with information

General and Revenue Secretariat

( )

*the* *193* .

Date of issue 19.12.35

Signed by M. K. Subba Rao

List of enclosures.....

Copied by .....

Examined by.....

WD 03601—GPB—30,000—23-9-35

S'

most re: imports & non-importance
trade with America

I have it
by
Fuller.

GENERAL AND REVENUE SECRETARIAT,

O. No.

*Bangalore, Dated,* 19th December 1935.

86

Dear Sir,

With reference to your letter No. D.O. 1673, dated 9th December 1935 forwarding copy of letter dated 29th October 1935 from Messrs. Bush & Co., to the Trade Commissioner wherein it is stated that it would be of considerable assistance if the Firm is supplied with information relating to imports of sandalwood into America, I am desired to request you to be so good as to arrange with the Trade Commissioner to furnish regularly to the Firm information available regarding imports of non-Mysore wood into America.

Yours sincerely,

S. Abdul Wajid, Esq., B.A.,
Director of Sandalwood Oil Factory in Mysore,
Bangalore.

S.O.F. 81-34

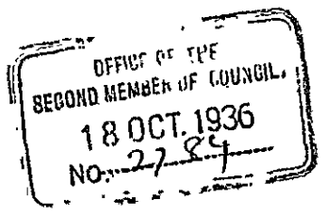
3/36

T. Address:—"Sandal Bangalore"

SANDALWOOD OIL FACTORY,

Bangalore, 1st October 1936.

No. 844




1744

FROM S.G. SASTRY ESQ., B.A., M.Sc., F.C.S.,
~~EXABDOLXWAHDXESQXEXXX~~
DIRECTOR, SANDALWOOD OIL FACTORY IN MYSORE,
BANGALORE.

2- [illegible] 1936
DEVELOPMENT BRANCH

To

M. VENKATANARANAPPA ESQ., B.A.,
Secretary to the Government of Mysore,
Development Department, Bangalore.

S i r,

Re: Importation of Sandalwood of Non-Mysore Origin into U.S.A.

With reference to your reminder No.D.2060 dated 16-9-36, regarding the above subject, I have the honour to state that only one letter was received in this connection from Messrs. Bush & Co., which was submitted to Government with my letter No.1673 dated 9-12-35. They state that if at any time they feel that such imports get felt in the oil markets, they would report. No further report has been received from them in this connection. Evidently, nothing serious has happened. The Trade Commissioner will however be requested to look into this when he visits America.

As per instructions conveyed in your letter No.D.3928/S.O.F. 81-34-9 dated 19th December 1935, information is being sent to Trade Commissioner regarding exports of Sandalwood to America with a request to pass on the same to Messrs. Bush & Co. regularly for their reference.

I have the honour to be,
S i r,
Your most obedient servant,

[signature]

5 NOV. 1936

Appendix F G—1]

SUBJECT.....

.....

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Section GP

File No. 81-34

Serial No.

No. D. 3005 — 3/11/34

*Diary No. of letter replied to*.....

To

The Trade commissioner

for Mysore in London.

General and Revenue Secretariat

( )

*the* *193* .

Sir,

I am directed to invite

reference to Mr. Webb's D.O. letter dated

29.10.1934 from regarding the

enquiries of non-Mysore Steward

in America and to state that Govt.

Consider it useful

~~would be glad~~ to have ~~periodical~~

~~reviews~~ from the Agency in the

~~matter~~ Therefore I am to request you

to be so good as to arrange for

obtaining these reviews in future

and transmit Copies

of them to Govt for

their

information

Date of issue 3-XI-34

Signed by [illegible]

List of enclosures.....

Copied by .....

I have &c.

[illegible]

for Secy.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

*Dated, Bangalore, 29th October 193 6*

No. D. 3005 — 3-11-36

From

The *Secretary to the Government of His Highness the Maharaja of Mysore, Development Department.*

To

The Trade Commissioner for Mysore in London.

Sir,

I am desired to invite reference to Mr. Webb's D.O. letter dated 29th October 1935 to you regarding the import of non-Mysore sandalwood to America and to state that Government consider it useful to have from the Agents in America, periodical reviews of the situation there in regard to this matter. I am therefore to request you to be so good as to arrange to obtain these reviews in future and transmit copies of them to Government for their information.

I have the honour to be,
Sir,
Your most obedient servant,

for Secretary to Government,
Development Department.

T. V. A. ISVARAN
TRADE COMMISSIONER
FOR MYSORE

Telephone: Whitehall 8888.
Telegrams: Mysof, Rand, London.

Please Quote Ref. TC/S.

GRAND BUILDINGS,
TRAFALGAR SQUARE,
LONDON, W.C.2

12th January, 1937.

V AIR MAIL

22 JAN. 1937
DEVELOPMENT BRANCH

The Secretary to the Government of
H.H. the Maharaja of Mysore,
Development Department,
BANGALORE.

Dear Sir,

With reference to your letter No. D.3005/SOF.81-34, dated the 29th October and 3rd November, 1936, requesting me to obtain periodical reviews of the situation in regard to the import of non-Mysore Sandalwood to America, I write to enclose herewith copy of the letter received from Mr. Webb of Messrs. W.J. Bush & Co.

The fuller report promised by Mr. Webb will be submitted for the information of Government in due course.

Yours faithfully,

Trade Commissioner for
Mysore in London.

26 JAN. 1937
DEVELOPMENT BRANCH

9 11

Copy of letter from Mr. R.R. Webb, of Messrs W.J. Bush & Co. Inc. New York, dated 3rd December, 1936.

Replying to yours of 23rd ult. I will do my best to keep you posted of all developments.

I have not yet succeeded in finding out who was the final recipient of the parcel of wood referred to in my letter of 17th ult. as being shipped to the brokers, the Greene Trading Co.

I do hope that you will share my opinion that the work accomplished recently when you were here should shut out U.S.P. material for some time to come.

V. A. ISVARAN
TRADE COMMISSIONER
FOR MYSORE

Telephone: Whitehall 8888.
Telegrams: Mysof, Rand, London.
Please Quote Ref. TC/S

RAND BUILDINGS,
TRAFALGAR SQUARE,
LONDON. W.C.2.

12th February, 1937.

BY AIR MAIL

22 FEB 1937
DEVELOPMENT DEPARTMENT

The Secretary to the Government of
H.H. the Maharaja of Mysore,
Development Department,
BANGALORE.

Dear Sir,

Further to my letter dated the 12th January, 1937, regarding the import of non Mysore Sandalwood to America, I write to state that 200 bags of Sandalwood arrived by the "City of Worcester" in New York and this quantity was imported by the Green Trading Co. and it is definitely understood that the destinatic is Messrs. George Luëders & Co.

Messrs. Bush & Co. intimate that it has not been possible to find out the price at which the material was billed.

Messrs. Bush & Co. also inform me that they are alive to the situation created by the importation of outside lots of wood and also of oil. They are of opinion that the special price given to Ungerer will very greatly help to combat competition. When firms like George Luëders & Co. get supplies from outside, they have to get rid of it, but one has to make them feel sick by causing them to be very slow in selling their stock and having to sell it, if possible, at a loss, thereby discouraging them to import furthe parcels of wood. It is, however, difficult to find out on what price basis the Sandalwood comes into New York. The price at which they quote th U.S.P. Oil cannot always be taken as a guide, as they know that they can only offer it at prices below the Mysore level.

Taking the business as a whole, the mportations may be considered as small, though heir nuisance value is greater than actual loss f business. Messrs. Bush & Co. promise to be igilent in this matter and take all steps neces- ary to meet this competition, in consultation ith me.

Yours sincerely,

Trade Commissioner.